DOCUMENT RESUME

ED 248 382 CE 039 710

TITLE	Health Professions and Services Amendments of 1984. Report to the House of Representatives, 98th Congress, 2nd Session.
INSTITUTION	Congress of the U.S., Washington, DC. House Committee on Energy and Commerce.
REPORT NO	House-R-98-817
PUB DATE	4 Jun 84
NOTE	65p.; To accompany H.R. 5602.
PUB TYPE	Legal/Legislative/Regulatory Materials (090)
EDRS PRICE	MF01/PC03 Plus Postage.
DESCRIPTORS	*Allied Health Occupations Education; Community Health Services; Cost Estimates; Educational Finance; *Federal Legislation; *Financial Support; Health Needs; Health Personnel; *Health Services; Medical Education; Migrant Programs; Needs Assessment; Nursing Education; Postsecondary Education; Program Costs; Public Policy; Student Financial Aid; Student Loan Programs
IDENTIFIERS	Congress 98th; Health Maintenance Organizations; *Health Professions and Services Amendments 1984; *National Health Services Corps; Public Health Service Act; Reauthorization Legislation

ABSTRACT

This congressional report contains the majority views as well as minority and additional views of members of the House Committee on Energy and Commerce pertaining to the Health Professions and Services Amendments of 1984. (These are intended to amend Titles VII and VIII of the Public Health Service Act to extend the programs of assistance for the training of health professions personnel, to revise and extend the National Health Services Corps program under the act, and to revise and extend the programs of assistance under the act for health maintenance organizations and migrant and community health centers.) Included in the report are the following: a statement of the purpose and a summary of the bill, the background and a discussion of the need for this legislation, committee views on the amendments, committee consideration and oversight findings, a statement from the Committee on Government Operations, committee cost estimates, a Congressional Budget Office estimate, an inflation impact statement, a section-by-section analysis of the bill, agency view of the bill, and changes in the existing law that will be effected by the amendments. (MN)

98TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
98-817

HEALTH PROFESSIONS AND SERVICES AMENDMENTS OF 1984

JUNE 4, 1984—Ordered to be printed

Mr. DINGELL, from the Committee on Energy and Commerce, submitted the following

REPORT

together with

MINORITY AND ADDITIONAL VIEWS

[To accompany H.R. 5602]

[Including cost estimate and comparison of the Congressional Budget Office]

The Committee on Energy and Commerce to whom was referred the bill (H.R. 5602) to amend titles VII and VIII of the Public Health Service Act to extend the programs of assistance for the training of health professions personnel, to revise and extend the National Health Service Corps program under that Act, and to revise and extend the programs of assistance under that Act for health maintenance organizations and migrant and community health centers, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass

The amendments (stated in terms of the page and line numbers of the introduced bill) are as follows:

Page 3, line 2, insert after "section" the following: "and section 741".

Page 3, insert after line 7 the following:

(d)(1) Sections 741(b) and 741(f)(1)(A) are each amended by inserting "a doctoral degree in clinical psychology or an equivalent degree," after "doctor of optometry or an equivalent degree,".

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(2) Section 741(c) is amended by inserting after "veterinary medicine" the following: "or at a school in a graduate program in psychology".

Page 4, strike out lines 11 through 16 and insert in lieu thereof the following:

SEC. 106. Paragraph (1) of section 771(e) (42 U.S.C. 295f–1(e)) is amended to read as follows:

"(1) To be eligible for a grant under section 770 for a fiscal year beginning after fiscal year 1984, the product of the hours of instruction offered by a school of public health and the number of students enrolled in such hours of instruction in such school, in the school year beginning in fiscal year 1985 and in each school year thereafter beginning in a fiscal year in which a grant under section 770 is applied for, shall be at least the same as the product of the hours of instruction offered by the school and the number of students enrolled in such hours of instruction in the school year beginning in fiscal year 1984.".

Page 5, beginning in line 5 strike "Criteria" and all that follows through line 23 and insert close quotation marks and a period.

Page 5, line 24, insert "(a)" after "108." and insert after line 4 on page 6 the following:

(b)(1) Section 781(a)(2) is amended by striking out "enter into contracts with schools of medicine and osteopathy," and insert in lieu thereof the following: "enter into contracts with schools of medicine and osteopathy, and public or nonprofit private entities which have served as regional area health education centers,".

(2) The last sentence of section 781(g) is amended by striking out "may" and inserting in lieu thereof "shall".

Page 7, beginning in line 11 strike "Criteria" and all that follows through line 8 on page 8 and insert close quotation marks and a period.

Page 9, beginning in line 2 strike "Criteria" and all that follows through line 19 and insert close quotation marks and a period.

Page 11, insert before the first period in line 5 the following: "or osteopathy".

Page 11, insert after the first period in line 5 the following: "Grants provided under this paragraph to schools which were in existence on the date of the enactment of the Health Professions and Services Amendments of 1984 may be used for construction and the purchase of equipment.".

Page 11, line 9, strike out "and" and insert in lieu thereof a comma and the following: "by inserting 'or osteopathy' after 'medicine' and".

Page 12, strike out line 1 and redesignate the succeeding paragraphs accordingly.

Page 12, redesignate subsection (c) in line 6 as subsection (d) and insert after line 5 the following:

(c)(1) Section 788(d) is amended—

(A) by striking out "with schools of medicine or osteopathy or other appropriate public or nonprofit private entities to assist in meeting the costs of such

schools or entities" and inserting in lieu thereof "with accredited health professions schools referred to in section 701(4) to assist in meeting the costs of such schools"; and

(B) by amending paragraph (1) to read as follows:

"(1) improve the training of health professionals in geriatrics, develop and disseminate curriculum relating to the treatment of the health problems of the elderly, expand and strengthen instruction in such treatment, support the training and retraining of faculty to provide such instruction, and support continuing education of health professionals in such treatment; and".

(2) Section 788(f) is amended—

(A) in inserting "(1)" after "(f)",

(B) by striking out "For purposes of this section" and inserting in lieu thereof "For purposes of subsections (a), (b), (c), and (e) of this section"; and

(C) by adding at the end the following:

"(2) For purposes of subsection (d) there are authorized to be appropriated $2,000,000 for fiscal year 1985 and $3,000,000 for fiscal year 1986.".

Page 13, line 1, strike out "(i)(II)" and insert in lieu thereof "(ii)", and in line 3, strike out "(II)" and insert in lieu thereof "(ii)".

Page 14, insert after line 6 the following:

SEC. 121. (a)(1) Section 701(4) (42 U.S.C. 292a(4)) is amended (A) by inserting " 'school of chiropractic'," after " 'school of dentistry',", and (B) by inserting "degree of doctor of chiropractic," after "doctor of dentistry or an equivalent degree,".

(2) Section 701(5) is amended by inserting "chiropractic," after "dentistry,".

(b)(1) Section 740(a) (42 U.S.C. 294m(a)) is amended by inserting "chiropractic," after "dentistry,".

(2) Sections 740(b)(4), 741(b), and 741(f)(1)(A) are each amended by inserting "degree of doctor of chiropractic," after "doctor of dentistry or an equivalent degree,".

(3) Section 741(c) is amended by inserting "chiropractic," after "dentistry,".

(4) Section 742(a) (42 U.S.C. 294o(a)) is amended by adding at the end the following: "Of the amount appropriated under this subsection for any fiscal year, not more than 4 per centum of such amount shall be made available for Federal captial contributions for student loan funds at schools of chiropractic.".

(c)(1) Section 787(a)(1) (42 U.S.C. 295g-7(a)(1)) is amended by inserting "chiropractic," after "dentistry,".

(2) Section 787(b) is amended by inserting at the end the following: "Of the amount appropriated under this subsection for any fiscal year, not more than 4 per centum of such amount shall be obligated for grants or contracts to schools of chiropractic.".

Page 14, strike out lines 12 through 16 and insert in lieu thereof the following:

following: "$12,000,000 for the fiscal year ending September 30, 1985, $13,000,000 for fiscal year ending September 30, 1986, $14,000,000 for the fiscal year ending September 30, 1987, and $15,000,000 for the fiscal year ending September 30, 1988".

Page 14, strike out lines 20 through 24 and insert in lieu thereof of the following:

$21,000,000 for the fiscal year ending September 30, 1985, $22,000,000 for the fiscal year ending September 30, 1986, $23,000,000 for the fiscal year ending September 30, 1987, and $24,000,000 for the fiscal year ending September 30, 1988.

Page 15, beginning in line 10 strike out "$18,000,000" and all that follows through line 13 and insert in lieu thereof the following:

$19,000,000 for the fiscal year ending September 30, 1985, $20,000,000 for the fiscal year ending September 30, 1986, $21,000,000 for the fiscal year ending September 30, 1987, and $22,000,000 for the fiscal year ending September 30, 1988.

Page 15, insert before the period in line 19 the following: "each place it occurs".

Page 15, redesignate paragraph (4) in line 23 as paragraph (5) and insert after line 22 the following:

"(4) Section 822(b)(3) is amended by insert before "for a period" the following: "or in a public health care facility". ity"..

Page 16, strike out lines 22 through 26 and insert in lieu thereof the following:

following: "$15,000,000 for the fiscal year ending September 30, 1985, $16,000,000 for the fiscal year ending September 30, 1986, $17,000,000 for the fiscal year ending September 30, 1987, and $18,000,000 for the fiscal year ending September 30, 1988".

Page 20, insert after line 20 the following:

TITLE V—HEALTH CARE CONSUMER INFORMATION

SEC. 501. Section 304 of such Act (42 U.S.C. 242k) is amended by adding at the end the following:

"(e)(1) The Secretary shall—

"(A) study (i) criteria and methodologies for use in collecting and disseminating health care consumer information, including information on alternative health care delivery systems and aggregate information on health care cost and utilization, and (ii) means to assist in collecting an disseminating such information;

"(B) Prepare a plan for furnishing to the public, upon request, technial assistance (i) in the use of the criteria and methodologies described in subparagraph (A), (ii) in the use of information on alternative health

care delivery systems, and (iii) to identify sources of information which are appropriate for use in collecting and disseminating health care consumer information described in subparagraph (A);

"(C) not later than 6 months after the completion of the study and preparation of the plan required by subparagraphs (A) and (B), carry out, to the extent feasible, the activities for which the plan was prepared under subparagraph (B); and

"(D) develop improvements in criteria and methodologies for use in collecting and disseminating health care consumer information and develop methodologies for defining and measuring quality of health care services.

Not later than 9 months after the date of the enactment of this subsection, the Secretary shall complete the study required by subparagraph (A), shall complete the plan required by subparagraph (B), and report to Congress the results of the study and the completion of the plan.

"(2) In carrying out paragraph (1), the Secretary shall consult with the National Committee on Vital and Health Statistics established under section 306(k)(1), the Health Care Financing Administration, the Prospective Payment Assessment Commission, and representatives of—

"(A) physicians, hospitals, and other health care providers,

"(B) insurers,

"(C) businesses, unions, and public entities which purchase health care through insurance or selfinsurance, and

"(D) members of the general public.

"(3) In carrying out paragraph (1), the Secretary shall assure that health care consumer information is collected, identified, and interpreted in a manner consistent with the confidentiality of individually identifiable patient medical information."

CONTENTS

PURPOSE AND SUMMARY

PURPOSE

The authorizations for health professions education, National Health Service Corps, health maintenance organizations, and community and migrant health centers programs expire on September 30, 1984. The bill extends and revises these authorities.

SUMMARY

The bill reauthorizes and makes revisions in the programs of assistance for the training of health professions personnel in Titles VII and VIII of the Public Health Service Act. It also revises and extends the National Health Service Corps program, and the programs of assistance for health maintenance organizations and migrant and community health centers.

Title I of the bill reauthorizes for two years the following programs:

1. The Health Education Assistance Loan (HEAL) program of insurance for unsubsidized, market-rate student loans; no appropriations are needed, but the level of the federal insurance ceiling is raised;
2. The Health Professions Student Loan (HPSL) program of low-interest student loans from revolving funds maintained by health professions schools;
3. The program of scholarships for first-year students of exceptional financial need;
4. Capitation assistance to schools of public health;
5. Support for departments of family medicine;
6. The Area Health Education Centers;
7. Support for programs to train Physician Assistants;
8. Programs and traineeships in General Internal Medicine and General Pediatrics;
9. Programs and traineeships in Family Medicine and General Dentistry;
10. Assistance to institutions in recruiting and providing educational assistance to students from disadvantaged backgrounds;
11. Project grant authorities for health professions schools;
12. Support for health professions schools with advanced financial distress;
13. Support for programs and traineeships in health administration;
14. Support for traineeships in public health;
15. Support for residences in preventive medicine.

Title I also contains the following new provisions:

1. Designates one-half of new federal capital contribution to the HPSL loan funds for students from disadvantaged backgrounds;
2. Requires the Secretary to give priority to applicant institutions that demonstrate a commitment to making the programs in Family Medicine, General Internal Medicine and General Pediatrics a permanent part of their graduate medical education programs;

3. Establishes special project grants to schools of public health;

4. Authorizes Clinical Psychology and Chiropractic schools to participate in the HPSL student loan fund program;

5. Modifies the student enrollment formula for determining eligibility of schools of public health for capitation support;

6. Allows direct funding of established AHECs;

7. Modifies the purposes for which special project grants may be made under section 788; and,

8. Expands and further specifies authority for improving health professional training in geriatrics.

Title II extends for four years the following programs in nurse education:

1. Special project grants and contracts;

2. Program support for advanced nurse training;

3. Program and student support for nurse practitioner and nurse midwife training;

4. Traineeships in advanced nurse training;

5. Traineeships for nurse anesthetists.

Title II also creates a new authority for special demonstration grants and authorizes nurse practitioners who have incurred a service obligation in return for traineeship support to satisfy that obligation by working in a public health care facility.

Title III extends for four years the National Health Service Corps Program. It continues the current authority for such appropriations as are necessary to fund 550 new scholarships annually. It also modifies provisions related to the areas and the types of practice in which recipients may fulfill their service obligations.

Title IV extends for four years the programs of support for Health Maintenance Organizations and Migrant and Community Health Centers.

Title V creates a new requirement that the Secretary study criteria and methodologies for collecting and disseminating health care consumer information and prepare and implement a plan for providing technical assistance in the use of the criteria and methodology.

Background and Need for the Legislation

Background

Title VII—Health professions educaiton

Title VII of the Public Health Service (PHS) Act provides Federal support for health professions education at schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, and pharmacy (referred to as MODVOPP schools), and at schools of public health. Title VII has provided basically two kinds of assistance—institutional support for these health professions schools and student assistance in the form of loans, loan guarantees, and scholarships for students enrolled at the schools.

The Congress first enacted legislation providing direct Federal support for health professions educaiton in 1963. For nearly two decades prior to this enactment, Federal funding for health profes-

sions education was a by-product of a direct commitment to biomedical research conducted by the Naitonal Institutes of Health.

The Congress enacted the 1963 legislation and expanded its commitment in subsequent years for essentially two purposes: first, to increase enrollments at the various health professions schools, and second, to assure the financial viability of the schools. The Congress felt that enrollments had to be expanded, first and foremost, because the Nation faced critical shortages of health manpower.

Federal support for health professions education was established and then was significantly expanded in two ways during the period 1963-73. First, Congress expanded the number of programs and schools eligible for support. During this period, there were established construction grant programs; formula grant programs to encourage schools to undertake certain activities such as primary care training, curriculum development, and programs for disadvantaged students. At first, schools of medicine, osteopathy, and dentistry were the only schools eligible for this assistance. Later, as Congress revised and extended title VII programs, eligibility was expanded to include all the schools mentioned earlier.

The Health Professions Education authority under title VII was last extended by the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35. At the present time, title VII authorizes assistance in the following areas:

Insured Loans to Graduate Students in Health Professions Schools—

- Health Education Assistance Loans (Part C, Subpart I).

Student Loans—

- Health Professions Student Loans (Part C, Subpart II).

Health Professions Student Assistance—

- Exceptional Financial Need Scholarships (Sec. 758(d)).

Health Professions Institutional Assistance—

- Financial Distress Institutional Assistance (Sec. 788/B).

Public Health/Health Administration—

- Public Health Capitation (Sec. 770(e)).
- Health Administration Grants (Sec. 791).
- Public Health Traineeships (Sec. 792).
- Health Administration Traineeships (Sec. 791A).
- Preventive Medicine Residencies (Sec. 793).

Primary Care—

- Family Medicine/General Dentistry Residency and Training (Sec. 786(a)).
- General Medicine and Pediatrics (Sec. 784).
- Family Medicine Departments (Sec. 780).
- Physicians Assistants (Sec. 783).

Health Professions Special Educational Initiatives (Sec. 788(b-e)).

Area Health Education Centers (Sec. 781).

Disadvantaged Assistance (Sec. 787).

Health Professions Analytical Studies and Reports (Sec. 301, 332, 708).

In fiscal year 1984, Health Professions Education programs under title VII received appropriations of $145.6 million.

Title VIII—Nursing education

The Federal government has provided financial assistance for nursing education since the 1930's. The first comprehensive Federal authority to provide funds for such programs was established in 1964, with the enactment of the Nurse Training Act of 1964, Public Law 88-581. This legislation, which consolidated and expanded existing programs of support in a new Title VIII of the Public Health Service Act, was passed in response to perceived shortages of professional nurses in the country.

The nurse training authority of Title VIII has provided essentially two kinds of assistance—institutional support for nursing schools and financial assistance for nursing students. This support has increased the enrollments and graduates of nursing educational institutions. It has provided student financial assistance in the form of loans and traineeships and has also increased the opportunities of nurses to obtain advanced training to become nurse practitioners, nurse midwives, nursing administrators, and clinical nurse specialists.

Title VIII was last extended by the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35. In fiscal year 1984, the Title VIII authorities received appropriations of $42.2 million. In addition, DHHS estimates that $18 million will be available in nursing school revolving loan funds for new nursing student loan awards in each of the fiscal years 1984 and 1985.

The Nation's supply of registered nurses has increased dramatically since 1964, when Title VIII was established. At that time there were 550,000 registered nurses in the country. The Surgeon General's Consultant Group on Nursing concluded in 1964 that the Nation would need 850,000 nurses by 1970 to provide a satisfactory level of nursing services. Today there are nearly 1.7 million nurses nationwide. Of this total, approximately 1.3 million are employed in a health care or educational settings.

National Health Service Corps (NHSC)

The National Health Service Corps (NHSC) has two components. The NHSC Scholarship program provides scholarships (including tuition and stipend) to medical, nursing, dental and other health professional students. In return, these students are obligated to provide health care services in a "health manpower shortage area" (NHSA) upon graduation. The length of their service is determined by the number of years of scholarship support.

The second component is called the NHSC field program, and upon graduation, a student becomes a member of it. The field program is responsible for assigning members to HNSAs, paying their salaries (unless the member exercises the "private practice option," under which another entity pays the salary or the member is in private practice), ensuring that members meet all conditions of their service, and working with the private, non-profit entities to which members are assigned.

An NHSC site which is assigned a salaried NHSC member must repay the U.S. Treasury for the government's cost of educating and paying the salary of the member. An NHSC site which receives a

member through the private practice option pays the member's salary but is not required to pay any monies to the U.S. Treasury.

Community and migrant health centers

The Community and Migrant Health Centers provide comprehensive primary care health services to medically underserved populations, and in the case of Migrant Health Centers, to migratory and seasonal farmworkers. Centers typically are private, non-profit entities with a governing board composed of local residents and users of the centers.

Health maintenance organizations (HMOs)

The HMO Act establishes the requirements to be a federally qualified HMO and authorizes the award of market rate loans for the development and operation of such HMOs.

Statement of need

Under current law, the authority for appropriations for these programs would expire at the end of fiscal year 1984.

These important programs in Title VII and Title VIII assist disadvantaged, low-income, and other students who can no longer afford the high costs of education to become doctors, nurses, and other health professionals; create opportunities for physicians to become primary care practitioners instead of subspecialists; and address severe national shortages in public health, preventive medicine, health administration, and the advanced nursing fields of education, research and clinical specialists.

The National Health Service Corps and the community health centers provided health care for most inner-city and rural areas that still cannot attract enough private practitioners. The migrant health center program provides health services to migrating and seasonal farm workers. The HMO program provides loans to health maintenance organizations to help curb the growth of medical care expenditures.

This legislation is necessary to continue these modest but significant programs.

Committee Views on the Proposed Legislation

HEAL loan insurance

Under the HEAL program, students borrow funds from commercial lenders at market rates and the federal government insures the loans. The Secretary maintains a student loan insurance fund with premiums charged to lenders, who may in turn pass on the premium costs to the student borrowers. The Committee received reports that the current ceiling on federal insurance of $250 million would soon be reached, meaning that new loans could only be issued at the rate at which currently insured loans are paid off. Because this program involves no federal expenditures (unless the insurance fund were to have insufficient funds) and is a critical source of last-resort funds for many health professions students, the ceiling was raised by $25 million for each of two years.

HEALTH PROFESSIONS STUDENT LOANS

Under the HPSL program, health professions schools maintain revolving funds from which they make loans at 9 percent interest to their students. Medical and osteopathic students must meet a definition of exceptional financial need to qualify for these loans. Because no funds were appropriated in fiscal year 1984 for new federal capital contributions to the revolving funds, loans were restricted to monies available at schools with existing funds.

The Committee heard testimony that the limited HPSL funds, together with serious reductions in the availability of National Health Service Corps scholarships, has led to increasing reliance on the high-cost HEAL loans, dramatically raising student indebtedness. Higher student debt levels create incentives for students to seek careers in the higher-paying subspecialities rather than primary care specialities and threaten to exclude students from disadvantaged backgrounds. The Committee intends to address this situation in part by authorizing new federal capital contributions to the loans and setting aside one-half of the new monies for students from disadvantaged backgrounds. A disadvantaged background is one as defined by regulations pursuant to Section 787 of the PHSA, the program to provide educational assistance to individuals from disadvantaged backgrounds.

CAPITATION SUPPORT FOR SCHOOLS OF PUBLIC HEALTH

Capitation support is intended to create incentives to address personnel shortages in the various health professions. The capitation provisions for all professions other than public health have had no appropriations authorized in recent years because personnel needs appear to have been met or even exceeded in those fields. Because public health can still demonstrate clear shortages, the Committee included reauthorization of appropriations for schools of public health.

The schools reported to the Committee that many students now must attend graduate school part-time and that this makes it difficult for some schools of public health to meet the capitation requirements in current law. But since capitation is meant to stimulate enrollment, it would not be appropriate to continue reauthorizing appropriations while deleting or seriously weakening that requirement. To address the situation of schools with increasing part-time students, the Committee approved an amendment that expresses the capitation requirement in terms of "full-time equivalent" students by determining eligibility on the basis of total student-hours of instruction. This eliminates the burdensome aspects of the current requirement while continuing the encouragement to keep up enrollments that is embodied in the capitation approach.

SUPPORT FOR PRIMARY CARE PROGRAMS IN FAMILY MEDICINE, GENERAL INTERNAL MEDICINE, AND GENERAL PEDIATRICS

The Committee heard testimony that continuing support for these programs is necessary because of the difficulty in financing primary care training programs out of patient care revenues, re-

search monies and institutional support as other departments and programs can do. Because these programs serve important national health care needs and cost-containment objectives by directing medical students into primary care specialities instead of subspecialities, the Committee supported their reauthorization at increased funding levels while revisions of the methods of paying for primary care services and education are developed over the coming years. But the Committee also was concerned that schools demonstrate a real commitment to primary care training and, accordingly, instructed the Secretary to give priority to applicant institutions that demonstrate such commitment. The Committee recognized that expressions of commitment might vary among programs and chose to leave the definition of commitment flexible, to be interpreted by the Secretary taking into account the characteristics of the applicant institution and its other training programs.

The Committee recognizes that development of adequate numbers of educators in general internal medicine and general pediatrics is an important adjunct to efforts to foster primary care medicine through the funding of residency training programs. The training of such faculty further enhances the necessary integration of general internal medicine and general pediatrics into traditional medical education training programs. Accordingly, the Committee strongly supports the use of a portion of the funds under section 784 for model faculty development programs and encourages the Secretary of Health and Human Services to continue recent departmental efforts to support such faculty development.

SUPPORT FOR PROGRAMS IN GENERAL DENTISTRY

The Committee was impressed with testimony and other information it received concerning the need to expand the number and types of programs to train general dentists. Accordingly, the Committee expanded the program to include advanced educational programs, in addition to residencies, and set aside for general dentistry 7 percent of funds appropriated for programs in family medicine and general dentistry.

TWO-YEAR SCHOOLS OF MEDICINE, INTERDISCIPLINARY TRAINING, AND CURRICULUM DEVELOPMENT

The Committee determined that it was no longer appropriate to encourage additional conversion of two-year schools of medicine to four-year schools, but recognized that some existing two-year schools require assistance in maintaining and improving their programs. This is equally the case for schools that provide the first two years of training as for those that provide the last two years, and the restriction of grants to only the former group was eliminated. Because of the importance of certain improvements such as medical libraries for schools without libraries, the Committee made it clear that grants under this section may be used for construction and the purchase of equipment, as well as for other projects.

The Committee also determined that the list of twenty-four areas for special projects in existing law provided insufficient direction to the Secretary. Accordingly, the list was reduced to four high-priority topics. One particular area that needs greater emphasis is train-

ing of health professionals in geriatrics and the problems of the elderly, as documented by recent studies. The Committee highlighted this need by specifying it in greater detail and providing separate authorizations for appropriations for such training and curriculum development.

NURSE MIDWIFERY

The Committee has made a number of changes in Title VIII relating to the education of nurse midwives. The Committee has also retained the provision of current law that gives priority to nurse midwives for advanced training traineeships. In various hearings—both oversight and in preparation for the present legislation—the Committee has been impressed with the important role that nurse midwives play in caring for poor women, infants, and families. The Committee has also noted that nurse-midwives play an increasingly significant part in the reduction of health costs through innovations in care and in services delivery. The Committee intends that the Secretary use the various authorities to Title VIII to increase the number of nurse-midwives who graduate each year, both by increasing the capacity of existing educational programs and by assisting new programs.

NURSE PRACTITIONERS

The Committee has noted that few, if any, traineeships have been awarded in recent years under the authority of Section 822. With the understanding the much of the difficulty has arisen from the problems of finding placements for obligated nurse practitioners within health manpower shortage areas (HMSA's), the Committee has amended the payback requirements to allow practitioners and midwives to fulfill their obligation by working in public health care facilities. This amendment is not intended to end the placement of such professionals in HMSA's; if appropriate positions are open, clearly such areas should receive special attention. But the Committee intends that traineeships be made available to those students who will commit themselves to working within public health care facilities also.

In addition, to permit the Secretary to exercise the existing statutory to waive or suspend the service obligation for traineeship recipients whenever compliance is impossible or would involve extreme hardship, final regulations implementing this authority should be published immediately. The waiver authority was enacted into law in 1981.

The Committee has created authority for a new program under Title VIII for demonstration projects. At a time when spending on health care exceeds 10 percent of the GNP, it is important to develop more cost-effective, innovative methods of health care services delivery. The Committee believes that the nursing profession is an underused source of assistance in easing inflationary pressures in health care.

Under the new demonstration authority, the Secretary may make grants to schools and to other non-profit entities to support clinical nurse education demonstration projects, in institutions as well as in homes. The Committee anticipates that the Secretary

will give particular emphasis to projects to demonstrate innovative ways to provide improved, more effective long-term for the elderly. The Secretary is also to fund projects to demonstrate improved methods for expanding access to nursing practice arrangements in the community. Such demonstrations should provide information on the costs, effectivness, and accessibility of such projects and on payment policy and problems. In addition, the Secretary is authorized to fund programs to encourage nurses to practice in HMSA's.

The Committee expects that the knowledge gained from this authority will provide the Federal government and private payors with valuable experience to study proposals for changes in reimbursement policy.

NATIONAL HEALTH SERVICE CORPS (NHSC)

The Committee believes that the NHSC is at an important crossroad. It is one of the most successful health service programs authorized by the Congress, because it makes doctors, nurses, dentists and other essential health care providers available to people who otherwise would be without health care services. Currently there are almost 3,000 NHSC providers serving over 2.5 million people in Health Manpower Shortage Areas (HMSAs) around the country. Nevertheless, because so few scholarships have been awarded in the last three years, the NHSC will be forced to begin phyasing out of hundreds of communities during the next few years because no scholarship obligees will be available to replace those currently serving.

Some critics of the NHSC say that it has served its purpose and can be phased out. They argue that the nation's medical schools are training an unprecedented number of new physicians and that the NHSC is an anachronism. The Committee believes that these critics are inaccurate about the current health service needs of the country. Even with the dramatic increase in physicians, there will always be areas which will not attract or retain a sufficient number of physicians. Some areas have, and will continue to have, no physicians. These underserved areas are characterized by a poor economy, no industry, poor housing, a significant medically indigent population and chronic illness.

The Committee acknowledges that some studies and other anecdotal evidence indicate that the geographic distribution of these new doctors is broader than ever, but notes that these studies have been criticized on a number of grounds. It must be emphasized, moreover, that the Committee is aware of no evidence that indicates that the very rural and inner city areas of our country, and the underserved population groups which reside in many rural and urban areas, will be adequately served by the projected increase in physicians. Any proposal to terminate the NHSC, either now or slowly over the next three to four years, would leave thousands of communities and population groups without essential health care providers.

Reauthorization

The Committee's bill extends both parts of the NHSC—the Scholarship and field programs—for four years. By continuing the Schol-

arship program, the Committee's bill authorizes a continuing source of obligated providers who will serve in urban and rural HMSAs around the country. While the Committee recognizes that every year some graduates of health professions schools can be recruited to "volunteer" to serve in HMSAs, a volunteer pool of manpower is uncertain and insufficient to meet the needs of the NHSC. Only through the obligated service of the Scholarship program can the NHSC guarantee a sufficient number of health care providers.

The Committee's bill continues the current annual authorization of 550 new scholarship awards. At this number, the NHSC will have a minimum obligated field strength of around 2,000 providers. When supplemented with the number of volunteers which are determined to be needed each year, the NHSC will be able to serve at least those HMSAs with the greatest need for health care providers. The Committee also intends that the Secretary fully implement Section 338A(d) to give students who have previously received scholarships under the Exceptional Financial Need scholarship program (Section 758). Such priority is important to assure disadvantaged students of their ability to continue their education.

The field program is also extended for four years because it is the assignment arm of the NHSC. For approximately one-third of the providers the field program also pays their salary. The salary for the other providers, who are assigned under the "private practice option," is paid by the community or migrant health center, hospital, health department or other entity to which they are assigned.

Assignment to HMSA's

The HMSAs to which NHSC personnel are assigned consist of geographic areas, population groups and facilities. Since there are more HMSAs than providers, the NHSC has developed an "HMSA Placement Opportunity List" consisting of those HMSAs with the greatest need. The Assignment of NHSC personnel is limited to the HMSAs on the list.

While the Committee supports the use of the placement opportunity list, and believes it is permissible, the Committee has received many inquiries concerning the NHSC's legal authority to restrict NHSC personnel to HMSAs on the list. These questions arise from the amendments to the NHSC program contained in the Omnibus Budget Reconciliation Act of 1981. One of those amendments struck from the law the requirement that assignments under the "private practice option" be limited to those HMSAs with a priority for assignment. The interpretation given by some to this change is that Congress wanted NHSC obligees to be able to go to any HMSA in the country.

It is the Committee's view that this interpretation is incorrect because it does not account for another amendment made at the same time. That amendment requires the NHSC to evaluate the "need" and "demand" for NHSC personnel in a designated HMSA before making an assignment to it. The amendment was made because the initial designation is often based on data available through national sources rather than on an evaluation of the local circumstances made by state or local organizations. It instructed the NHSC to conduct a second review of a designated HMSA and

determine whether a NHSC provider should be placed there instead of another HMSA.

The Committee recognizes that the interaction of the 1981 amendments is potentially misleading. To avoid further confusion, the Committee's bill clarifies the authority of the NHSC to maintain a placement opportunity list and to restrict NHSC obligees to serving in the listed HMSAs.

HMSA designation

Under current law, and HMSA may be a geographic area, a population group or a facility that has a shortage of health manpower. The NHSC has determined that a shortage of primary care physicians (for instance) exists when the ratio of such physicians to the population in the area, in the group, or being served by the facility is 1 to 3,500. (If there are certain indicators of health problems in the area or population to be served, such as a high rate of infant mortality or low-income families, the ratio is 1 to 3,000.) These ratios can be compared with the national average for primary care physicians of 1 to 1,136 and the median of 1 to 2,350.

Most HMSAs are geographic areas. A population group or facility is designate when there is a group of people, or a facility which serves a group of people, which do not have access to physicians in the proper ratios, even though the number of physicians residing in the geographic area is sufficient ot prevent the are from being designated as an HMSA.

During the last year, the NHSC has removed the designation of hundreds of geographic areas because of increases in the number of physicians. Because the physician-to-population ratio is not an indicator of access to health services for all population groups in the area, the Committee believes that precautions should be taken when geographic areas are de-designated. The Committee's bill accomplishes this by requiring the NHSC, before it de-designates a geographic area, to determine whether there is a population group or facility within the geographic area which should be designated.

In determining whether a population group does not have adequate access to care and should be designated, the Committee expects that the officials in the Department of HHS who are responsible for the community and migrant health center programs will be involved. These officials are in a better position to evaluate access to care because their programs serve medically underserved people. Furthermore, the NHSC should work closely with those state and local organizations that know the local circumstances. Such organizations would include state and local officials, health-planning agencies, and state and local groups representing primary care providers (including community and migrant health centers).

In determining whether a facility serves a population without adequate access to care, the Committee expects that the NHSC will carefully evaluate the population served by any public hospital in the geographic area.

The Committee is aware that population groups were designated in some of the recently de-designated areas. The Committee expects that the NHSC will review the other de-designated areas, to determine if there are population groups or facilities in them, if there is reason to believe an underserved population group or facility may

be present. In any case, the NHSC should review and de-designated area in which a public hospital is located, to determine if it can be designated as a facility.

Private practice option (PPO)

Under the private practice option NHSC providers are assigned to organizations which assume the financial responsibilty for paying their salary and fringe benefits. While the NHSC providers are employees of the organizations, they are considered members of the NHSC and fulfill their service obligation. In FY 1984, approximately 1,950 NHSC providers are serving under the PPO at community and migrant health centers, hospitals, health departments and various other organizations.

The Public Health Service Act requires NHSC providers under the PPO to serve all Medicare and Medicial recipients, to accept reimbursement as determined by those programs, and to serve all other people in their service area without regard to their ability to pay. The NHSC program is obligated to monitor NHSC assignee activities to assure compliance with these statutory requirements.

The Committee is concerned that the NHSC monitoring activities have been inadequate and have not kept pace with the rapid growth in the PPO in the last three years. Organizations which accept PPO assignments are aware that their NHSC provider has these service obligations, and the NHSC member signs a contract stating that he or she will comply. If the NHSC does not enforce these requirments, one of the main goals of the NHSC—access to health care for people who cannot afford it—will be lost.

The Committee expects that the NHSC program will take strong, new actions to assure that these service requirements are met by the NHSC member and the sponsoring organization. The Committee's bill would require such measures.

During the last three years, the NHSC has relied heavily on the PPO to reduce the cost of the NHSC field program. The Committee is concerned that the PPO directs the limited resources of the NHSC away from those HMSAs with the greatest shortage of providers. The worst HMSAs are typically characterized by few, if any, organizations which are financially able to pay the salary of a NHSC provider assigned under the PPO. In the four years of the Committee's bill, the Committee expects the NHSC to maximize its ability to target those HMSAs with the greatest shortage. The NHSC should use salaried positions up to the extent of appropriations; and for PPO sites, the NHSC should place greater reliance on those private non-profit and public organizations, like community and migrant health centers, which serve medically underserved populations.

COMMUNITY HEALTH CENTERS (CHC'S) AND MIGRANT HEALTH CENTERS (MHC'S)

Reauthorizations

The Committee's bill extends the CHC and MHC programs for four years. The effect of the CHC program extension is not to extend the opportunity for states to administer the CHC program through the Primary Care Block Grant (PCBG).

The Committee chose not to extend the PCBG for two reasons. First, no state currently participates in the program. Second, during the two and two-thirds years the PCBG has been authorized, the Department of HHS has failed to administer it in accordance with the statute. In December, 1982, the Department was enjoined from implementing the PCBG by the U.S. District Court for the District of Columbia "until the Department complies with the requirements of the Primary Care Block Grant statute." That injunction is still in effect.

The PCBG statute requires the Secretary of HHS to administer the CHC program as a categorical program in those states which do not participate in the PCBG. Since the PCBG was not implemented, the extension of the CHC program contained in the Committee's bill results in no substantive change in the way the CHC program is currently administered.

Excess revenues

In 1978, Congress amended the Public Health Service Act to provide incentives to community and migrant health centers for efficient management. It allows centers to retain "not less than one-half" of their excess revenue and requires that it be used for certain specified purposes. (Excess revenue is defined as the amount by which the actual income for a year exceeds the revenue projected to be collected at the beginning of the year.) Further, with Department of HHS approval, centers are allowed to apply for and receive the second half of such excess revenues.

The conference report to the 1978 amendments said: "the conferees intend for the Secretary to use the flexibility of the language, which allows a center to retain one-half or more of its excess, to designate appropriate rewards and incentives for improved management and performance." The Committee is concerned that the Department has not followed the explicit direction of the statutory language and the statement of the conferees. No regulations, or even a policy statement, have been issued to implement this provision. It is the Committee's understanding that some centers have not been allowed to retain the mandatory first half of excess revenues; and that virtually no centers have been allowed to keep any part of the second. The Committee expects that the Department will immediately rectify its failure to follow the statute and intent of Congress.

Farmers Home Administration loans to migrant centers

The Committee's bill amends the Public Health Service Act to allow a migrant health center to use its grant funds and income from services to repay the Farmer's Home Administration for loans for new buildings. In 1982, the Congress made the same amendment to the Community Health Center program, but a conforming amendment to the Migrant Health program was not made.

Hospital care for migrants

The Committee believes that the hospitalization demonstration project operated by the Health Care Financing Administration (HCFA) for Migrant Health Centers has been successful. Under it, HCFA negotiates payment rates with hospitals and uses migrant

program appropriations to pay for inpatient care. The Committee understands that funding for this demonstration project has declined since FY 1981 when migrant program appropriations were cut. To the extent that appropriations increase above the FY 1984 levels, some of those funds should be earmarked for this project to return it to at least the 1981 levels of service and to expand participation to additional migrant health centers.

Priority for migrant program grants

In April, 1984, the Department of Health and Human Services stated in its semi-annual regulatory agenda that a new notice of proposed rulemaking for the Migrant program would place greater emphasis on state participation. The agenda stated that the new regulations would give priority to awards to states and would offer alternatives for states to meet requirements which have tended to be barriers to them.

The Committee believes that an explanation of the statutory authority for such a proposal is appropriate. Section 329(h)(2) of the Public Health Service Act states that no more than 5 percent of migrant health appropriations may be used to make grants to migrant health centers and programs which are run by a "public" entity. In short, the Department's proposal appears to violate the clear statutory language.

In addition, the Committee notes that in 1981 the Congress rejected an Administration proposal to consolidate the migrant program in a block grant to the states and the Committee has rejected the same proposal in reporting the migrant program this year. Any further attempt by DHHS to make migrant program grant awards to the states would subvert clear and unmistakable Congressional directives.

Disease reporting

The Committee is deeply concerned about recent reports of disease problems among migrant workers which have not come the attention of appropriate State and/or Federal health officials. It is the Committee's understanding that the unique situation of migrant workers and their families moving from State to State throughout the year, can result in the development of illness in one State, treatment—or lack of treatment—in another, and reporting of the health condition to neither State's health department. Such lack of reporting can lead to unnecessary disease outbreaks or death, and to the persistence of unhealthy environmental conditions unknown to responsible local, State or Federal health officials.

The Committee instructs the Director of the Centers for Disease Control to review the extent of this problem and to report his findings and his plan of action to address those findings to the Congress within one year of enactment of this legislation.

The Committee expects that the director will meet and consult with Federal migrant health officials, State health officials in States with significant migrant worker populations, and other appropriate individuals in preparing this report.

HEALTH MAINTENANCE ORGANIZATIONS (HMOS)

Under the Committee's bill, new loans for HMOs would continue to be made at prevailing interest rates. No governmental subsidies are involved.

The current authority for new, market rate loans was established in 1981 to assure that HMOs had adequate access to capital. While the Committee found the HMOs now have access to private capital markets, the Committee believes that maintaining this residual authority is prudent. HMOs have proven they can reduce health care costs, and evidence indicates that their presence in a community influences the behavior of other health care providers and institutions.

HMO exemption from certificate of need

As an expression of Congressional recognition of the cost saving and utilization limiting features of HMOs, the Congress has exempted the establishment of an HMO and most of its ambulatory and impatient activities from the Certificate of Need review conducted by state health planning agencies. The Committee is disturbed by reports that in many states this exemption is being ignored, with the result that HMO growth is hampered. The Committee expects the Department of HHS to offer full assistance to any HMO encountering this obstacle and to work with the involved state to assure its conformity with the Federal requirement.

HEALTH CARE CONSUMER INFORMATION

Title V adds a new provision to Section 304 of the Public Health Service Act, increasing the Secretary's authority to provide technical assistance to business coalitions and other groups interested in developing information on the costs of health care.

There is a great deal of concern today about the continuing high rate of increase in the cost of health care. This is reflected in the growing interest, on the part of consumers, employers and third party payors, to understand the causes of this increase, to review their needs carefully, and to do some comparison shopping in order to find the most efficient providers. Efforts are being made at the State and local levels to develop appropriate consumer information. Unfortunately, such efforts are often stymied by the lack of reliable, consistent data presented in a useful manner. National leadership would be useful to encourage these activities and foster greater access to more useful data. Rather than displacing such efforts, this proposal is designed to enhance the Secretary's ability to provide technical assistance and encouragement to such efforts and to promote the sharing of their progress with others.

The Secretary would first be required to study the criteria and methods that might be used by such groups in collecting and disseminating appropriate information. The information of principal concern would be aggregate data on health care costs and utilization of service that might be useful, for example, to employer groups in designing their employee health care benefits packages or to consumer groups in helping individuals make better choices in selecting a health insurance plan or a provider. Additional information would include data about alternative health care delivery

systems, such as health maintenance organizations, preferred provider organizations, competitive health plans and the like.

The Secretary would be expected to study the data collection efforts currently under way in several communities around the country as well as to investigate new and innovative ways for groups to achieve the goal of developing more accurate and useful data. The Secretary would also study means by which the Department could assist groups in their efforts to collect, analyze and disseminate appropriate data.

In addition, the Secretary would be required to develop a plan for providing technical assistance, upon request, to those who are interested in undertaking such an effort or in improving their current effort. The types of technical assistance to be provided would include assistance in using the criteria and methods for collecting and disseminating information which the Secretary had developed under the study, in using information about alternative delivery systems, and in identifying appropriate sources of information. Groups are likely to need technical assistance as well in making appropriate analyses and interpretation of available data.

The Committee expects the Secretary to develop more than one alternative approach to carrying out the technical assistance function, with an estimate of the resources needed to implement each alternative.

This provision does not authorize or require the Secretary to collect actual data on health care costs or utilization. Nor does it authorize or require the Secretary to disseminate data collected by others. Nor does it require providers to submit data to groups requesting it. The Secretary's function is solely that of providing technical assistance, and he or she would need to collect only such information as is necessary to perform that task (including completing the required study and plan).

The Secretary would be required to complete both the study and the plan not later than nine months after enactment of the bill. When completed, the study and the plan would be submitted to Congress. Then, not later than six months after completing the study and the plan, the Secretary would be required to start providing technical assistance, to the extent feasible with existing resources, in accordance with the plan.

Thereafter, in addition to providing technical assistance, the Secretary would be required to continue to study ways to improve the criteria and methods being used to collect, and disseminate information. In particular, the Secretary would be required to develop ways of defining and measuring quality of care, a matter about which there is currently a great deal of interest but not great understanding or consensus.

It is the Committee's intent that the Secretary carry out these functions through the National Center for Health Statistics and the National Center for Health Statistics Research. In carrying out these tasks, the Secretary would be required to consult a variety of interested parties and groups, including the National Committee on Vital and Health Statistics established under section 306 of the Public Health Service Act. The Health Care Financing Administration and the Prospective Payment Assessment Commission, which are interested in such data for other purposes, would also be con-

sulted, along with representatives of various other groups and entities that would have an interest in what information is being collected and disseminated and in making sure it is used appfopriately.

A major concern identified by the Committee is that the confidentiality of individually identifiable patient information be preserved. The Secretary would be required to take measures to assure that this was done. It is the Committee's expectation that the study and the plan which the Secretary is required to do will include an analysis of what measures are required for this purpose and that the technical assistance which the Department provides to others will include advice on how to preserve confidentiality.

Hearings

The Committee's Subcommittee on Health and the Environment held one day of hearings on reauthorization of the health professions educational programs of Titles VII and VIII, the National Health Service Corps, health maintenance organizations, and community and migrant health centers programs on April 24, 1984. Testimony was received from fourteen witnesses, representing some twenty-one organizations.

Committee Consideration

On May 3, 1984, the Committee's Subcommittee on Health and the Environment met in open session on H.R. 5559, amended the bill and ordered reported a clean bill, H.R. 5602. On May 15, 1984, the Committee met in open session and ordered reported the bill, H.R. 5602, with amendments, by a recorded vote of 23 to 1.

Committee Oversight Findings

Pursuant to clause 2(1)(3)(A) of rule XI of the Rules of the House of Representatives, the Subcommittee held oversight hearings and made findings that are reflected in the legislative report.

Committee on Government Operations

Pursuant to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Operations.

Committee Cost Estimate

In compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, the Committee believes that the cost incurred in carrying out H.R. 5602 would be:

AUTHORIZATION OF APPROPRIATIONS

(In millions of dollars)

	Fiscal year—			
	1985	1986	1987	1988
Title I—Health professions education	172.5	187.7	NA	NA
Title II—Nursing education	76.0	81.2	86.4	91.6

AUTHORIZATION OF APPROPRIATIONS—Continued

[In millions of dollars]

	Fiscal year—			
	1985	1986	1987	1988
Title III—National Health Service Corps:				
Field program	90.0	95.0	100.0	105.0
Scholarships	(1)	(1)	(1)	(1)
Title IV—Community health centers	385.0	425.0	465.0	515.0
Migrant health centers	55.0	60.0	66.0	73.0
Health maintenance organizations	(1)	(1)	(1)	(1)

1 Such sums as may be necessary.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 17, 1984.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 5602, the Health Professions and Service Amendments of 1984, as ordered reported by the House Committee on Energy and Commerce, May 15, 1984.

If you wish further details in this estimate, we will be pleased to provide them.

Sincerely,

RUDOLPH G. PENNER.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 5602.

2. Bill title: The Health Professions and Services Amendments of 1984.

3. Bill status: As ordered reported by the House Committee on Energy and Commerce, May 15, 1984.

4. Bill purpose: H.R. 5602 would extend the programs of assistance for the training of health personnel. It would also revise and extend the National Health Service Corps, HMO Loan and Loan Guarantee, Migrant Health and Community Health Centers programs.

5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1985	1986	1987	1988	1989
Estimated authorization levels:					
Health education assistance loans					
Health professions student loans	10.0	10.7			
Exceptional need scholarships	8.0	8.6			
Grants to improve the quality of public health schools	7.5	8.0			
Family medicine	11.0	11.8			
Area health education centers	18.0	19.2			
Grants to develop new programs in schools of public health	3.0	3.2			
Physician assistants	6.0	6.4			
Internal medicine and pediatrics	24.0	28.0			

	1985	1986	1987	1988	1989
Family medicine and dentistry	38.0	40.6			
Disadvantaged assistance	24.0	25.7			
Support for 2-yr schools of medicine and curriculum development	4.0	4.3			
Geriatrics training	2.0	3.0			
Financial distress	6.0	6.4			
Graduate programs in health administration	2.5	2.7			
Traineeships for students in other graduate programs	1.0	1.1			
Public health traineeships	4.5	4.8			
Training in preventive medicine	3.0	3.2			
Nurse training—special projects	12.0	13.0	14.0	15.0	
Advanced nurse training programs	21.0	22.0	23.0	24.0	
Nurse practitioners	19.0	20.0	21.0	22.0	
Demonstration grants	8.0	9.0	10.0	11.0	
Professional nurse traineeships	15.0	16.0	17.0	18.0	
Training of nurse anesthetists	1.0	1.2	1.4	1.6	
National health service corps	90.0	95.0	100.0	105.0	
National health service corps scholarships	8.3	13.9	17.0	19.0	9.8
HMO loan and loan Guarantee fund					
Migrant health	55.0	60.0	66.0	73.0	
Community health centers	385.0	425.0	465.0	515.0	
Total estimated authorization levels	786.8	862.8	734.4	803.6	9.8
Estimated outlays:					
Health education assistance loans	−5.0	−6.0			3.0
Health professions student loans	10.0	10.7			
Exceptional need scholarships	2.2	6.4	5.7	1.9	0.4
Grants to improve the quality of public health schools	2.1	6.0	5.3	1.8	0.3
Family medicine	3.1	8.8	7.8	2.6	0.5
Area health education centers	5.0	14.3	12.8	4.3	0.8
Grants to develop new programs in schools of public health	0.8	2.4	2.1	0.7	0.1
Physician assistants	1.7	4.8	4.2	1.4	0.3
Internal medicine and pediatrics	6.7	19.7	18.3	6.1	1.2
Family medicine and dentistry	10.6	30.2	27.1	9.0	1.7
Disadvantaged assistance	6.7	19.1	17.1	5.7	1.1
Support for 2-yr schools of medicine and curriculum development	1.1	3.2	2.9	0.9	0.2
Geriatrics Training	0.1	1.8	1.9	0.6	0.1
Financial Distress	1.7	4.8	4.3	1.4	0.2
Graduate Programs in Health Administration	0.7	2.0	1.8	0.6	0.1
Traineeships for students in other graduate programs	0.3	0.8	0.7	0.2	
Public health traineeships	1.2	3.6	3.2	1.1	0.2
Training in preventive medicine	0.8	2.4	2.1	0.7	0.1
Nurse training—special projects	3.4	9.6	12.6	14.0	10.5
Advanced nurse training programs	5.9	16.6	21.2	23.0	17.0
Nurse practitioners	5.3	15.0	19.3	21.0	15.6
Demonstration grants	2.2	6.5	8.7	10.0	7.7
Professional nurse traineeship	4.2	11.9	15.4	17.0	12.7
Training of nurse anesthetists	0.3	0.8	1.2	1.4	1.1
National health service corps	82.2	92.2	98.8	104.4	9.0
National health service corps scholarships	8.3	13.9	17.0	19.0	9.8
HMO loan and loan guarantee fund					
Migrant health	50.2	58.1	65.0	72.2	6.1
Community health centers	214.8	407.3	447.3	492.9	227.6
Total estimated outlays	426.6	766.9	823.8	813.9	327.4

The costs of this bill would fall within budget function 550.

Basis of estimate: Most authorization levels are stated in the bill. We assume authorized amounts are fully appropriated at the beginning of each fiscal year. Outlays are estimated using spending rates computed by CBO on the bases of recent program data.

The bill would authorize funding for 550 new National Health Service Corps (NHSC) scholarship awards in each of fiscal years

1985 through 1988 and for continuing awards for students who have entered into contracts before fiscal year 1989. The scholarship authorization level was determined using average annual award costs. The level increases over time by the appropriate education inflator. We assume these scholarship funds will be spent in the year in which they are appropiated.

The bill also authorizes such sums as may be necessary to cover defaults on loans of the Health Maintenance Organization (HMO) Loan and Loan Guarantee Fund and to maintain a balance of $5 million in each fiscal year to continue to make new loans. CBO estimates that no additional appropriations will be needed for fiscal years 1985 through 1989.

According to information provided by the HMO Loan and Loan Guarantee Fund, CBO assumes that no new loans will be made throughout the projection period. The Fund has had the authority to make new loans, but made its last loan and loan guarantee in 1983. They do not plan to issue any in future years.

Based on past program experience, CBO also expects no defaults during the projection period.

This bill authorizes the federal government to continue to guarantee loans made by private lenders through fiscal year 1986 under the Health Educations Assistance Loan (HEAL) program. This authorization affects the unified budget by allowing the federal government to continue to collect insurance premiums on new loans. These premiums are placed in the Student Loan Insurance Fund and are used to pay anticipated loan default costs.

CBO assumes that the HEAL program will obligate all of the $275 million and $300 million worth of guaranteed loan dollars available to them in fiscal years 1985 and 1986, respectively. We assume the federal government will charge an insurance premium of two percent by fiscal year 1986. Premium receipts to the Student Loan Insurance Fund in fiscal years 1985 and 1986 will total about $11 million. No defaults are expected to result from the new loan dollars until fiscal year 1989. Using the current program default rate, we assume outlays from the Fund of $3 million will result in fiscal year 1989.

The total cost of the provisions concerning health care consumer information would be less than $500,000 in each fiscal year.

6. Estimated cost to State and local governments: In order to receive federal grants to support graduate programs in health administration, schools must provide at least $200,000 in fiscal year 1985 and $225,000 in fiscal year 1986 in non-federal funds. It is possible that other grants authorized in this bill could be used as a substitute for state and local funds currently being used to support these schools. The extent of the substitution, however, is unknown.

7. Estimate comparison: CBO prepared an estimate on May 14, 1984 for S. 2574, as ordered reported by the Senate Committee on Labor and Human Resources. This bill extended for three years the authorization for some programs dealing with nurse training. The programs and amounts reauthorized differ in the two bills.

8. Previous CBO estimate: None.

9. Estimate prepared by: Carmela Pena.

10. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

INFLATION IMPACT STATEMENT

Pursuant to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the Committee makes the following statement with regard to the inflation impact of the reported bill:

The Committee is unaware of any inflationary impact that H.R. 5602, if enacted, would have on the economy. The legislation proposes to extend the authoritites of Title VII for two years and of Title VIII, the National Health Service Corps, Health Maintenance Organizations, and Community and Migrant Health Centers for four years.

The funds authorized under the proposed legislation for fiscal year 1985 represent only an insignificant share of the Federal budget and would provide the necessary financial support to train health professionals and to serve populations that would otherwise have difficulty in receiving health care services.

The Committee notes that the emphases in the legislation on primary care, on alternative providers, and on early intervention are designed to prevent illness and to contain health care costs. The cost-benefit ratios of such services are clearly anti-inflationary, especially when the alternatives of subsequent, more costly therapy and institutional care are considered.

SECTION-BY-SECTION ANALYSIS

TITLE I—HEALTH MANPOWER (TITLE VII OF THE PUBLIC HEALTH SERVICE ACT (PHSA))

Section 101 of the bill amends Section 728 of the PHSA to reauthorized the HEAL program of insurance for student loans for two years and raises the annual ceiling on federal obligation by $25 million each year in 1985 and 1986, to $275,000,000 and $300,000,000, respectively.

Section 102 of the bill amends Sections 740, 701(5), and 741 of the PHSA to authorize participation of graduate programs in clinical psychology in the Health Professions Student Loan program.

Section 103 of the bill amends Sections 740-743 of the PHSA to reauthorize for two years the HPSL program of low-interest student loans from funds maintained by the health professions schools and to authorize new federal capital contributions to the loan funds. One-half of any new appropriations would be set aside for students from disadvantaged backgrounds.

Section 104 of the bill amends Section 758 of the PHSA to reauthorize for two years the program of first-year scholarships for students with exceptional financial need.

Section 105 of the bill amends Section 770 of the PHSA to reauthorize for two years the program of capitation support for schools of public health.

Section 106 of the bill amends Section 771 of the PHSA to eliminate the requirement that schools of public health increase their enrollments to be eligible for capitation grants. The new section requires that total student-hours of instruction at least equal those in the school year beginning in fiscal year 1984.

Section 107 of the bill amends Section 780 of the PHSA to reauthorize for two years support for departments of family medicine;

the amendment also requires the Secretary to give priority to applicant institutions that demonstrate a commitment to making the family medicine program a permanent component of their medical education training program.

Section 108 of the bill amends Section 781 of the PHSA to reauthorize for two years the Area Health Education Centers. The section also authorizes direct funding of existing AHEC's and requires the Secretary to set aside 10 percent of appropriations under this subsection 781(g) for existing AHEC's.

Section 109 of the bill amends Section 782 of the PHSA to authorize grants to schools of public health for special projects in nutrition, geriatrics, health promotion and disease prevention, alcoholism, and injury due to accidents.

Section 110 of the bill amends Section 783 of the PHSA to reauthorize for two years support for programs to train physician assistants.

Section 111 of the bill amends Section 784 of the PHSA to reauthorize for two years support for programs and traineeships in general internal medicine and general pediatrics; the amendment also requires the Secretary to give priority to applicant institutions that demonstrate a commitment to making the general internal medicine and general pediatrics programs permanent components of their medical education training program.

Section 112 of the bill amends Section 786 of the PHSA:

Subsection (a)(1) reauthorizes for two years support for programs and traineeships in family medicine and general dentistry;

Subsection (a)(2) sets aside for general dentistry not less than 7 percent of funds appropriated for family medicine and general dentistry;

Subsection (b) requires the Secretary to give priority to applicant institutions that demonstrate a commitment to making the family medicine program a permanent component of their medical education training program.

Subsection (c) expands general dental training programs to include advanced postgraduate training as well as residencies.

Section 113 of the bill amends Section 787 of the PHSA to reauthorize for two years the program to aid institutions in recruiting and providing educational assistance to students from disadvantaged backgrounds; the amendment also authorizes graduate programs in clinical psychology to participate in the program for recruiting and providing assistance to students from disadvantaged backgrounds.

Section 114 of the bill amends Section 788 of the PHSA to reauthorize for two years certain project grant authorities and to establish new priorities for those projects, including grants to maintain and improve schools that provide the last two years of medical or osteopathic education in addition to those that provide the first two years; grants to existing schools may be used for construction and purchase of equipment, among other uses. The section also authorizes grants and contracts to educational institutions for programs in health policy and policy analysis, the social and behavioral sciences, health promotion and disease prevention, and human nutrition. The section also provides separate authorization for grants

and contracts to improve the training of health professionals in geriatrics.

Section 115 of the bill amends Section 788B of the PHSA to extend for two years the program of support for health professions schools with advanced financial distress.

Section 116 of the bill amends Section 791 of the PHSA to reauthorize for two years support for programs of graduate training in health administration at schools that are not schools of public health; and, to increase the required expenditure of non-Federal monies by such programs.

Section 117 of the bill amends Section 791A of the PHSA to reauthorize for two years support for traineeships in health administration, hospital administration, or health policy analysis or planning.

Section 118 of the bill amends Section 792 of the PHSA to reauthorize for two years support for traineeships in schools of public health.

Section 119 of the bill amends Section 793 of the PHSA to reauthorize for two years support for residencies in preventive medicine.

Section 120 of the bill amends Section 702 of the PHSA to require that at least one representative of Schools of Public Health be included on the National Advisory Council on Health Professions Education.

Section 121 adds Chiropractic schools to several provisions of the PHSA.

Section 121(a) amends sections 701(4) and (5) of the PHSA to add Chiropractic schools to the general definitions of schools and accreditation;

Section 121(b) amends sections 740–742 of the PHSA to include chiropractic schools in the Health Professions Student Loan (HPSL) program and sets aside for schools of chiropractic not more than four percent of new federal capital contributions to the HPSL loan funds;

Section 121(c) amends section 787 of the PHSA to authorize schools of chiropractic to apply for grants and contracts to recruit and provide educational assistance to students from disadvantaged backgrounds and sets aside for schools of chiropractic not more than four percent of funds appropriated under that section.

TITLE II—NURSE TRAINING (TITLE VIII OF THE PUBLIC HEALTH SERVICE ACT (PHSA))

Section 201 of the bill amends Section 820 of the PHSA to reauthorize for four years program support for special projects grants and contracts.

Section 202 of the bill amends Section 821 of the PHSA to reauthorize for four years program support for advanced nurse training; and, to restrict support to only those program that lead to masters and doctoral degrees and prepare educators, administrators, researchers, or certain clinical nurse specialists.

Section 203 of the bill amends Section 822 of the PHSA to reauthorize for four years support for programs to train nurse practitioners; and, to include nurse midwives and nurse midwifery programs as eligible for program and traineeship support. The section

also permits nurse practitioners who have incurred a service obligation in return for traineeship support to meet that obligation by working in a public health care facility, as well as in medically underserved areas.

Section 204 of the bill adds new Section 823 to the PHSA to authorize demonstration grants for improvements in clinical nursing care in institutions, in homes, in independent nursing practice arrangements and in ambulatory facilities, and for programs to encourage nurses to practice in health manpower shortage areas; the amendment also authorizes appropriations for four years.

Section 205 of the bill amends Section 830 of the PHSA to reauthorize for four years support for traineeships for advanced nurse training; the amendment also requires that traineeships to educate teachers, administrators, supervisors, and certain other professional nursing specialists be in Masters or doctoral degree programs, but traineeships for individuals to serve as nurse practitioners or nurse midwives may be in either degree or certificate programs.

Section 206 of the bill amends Section 831 of the PHSA to reauthorize support for traineeships for nurse anesthetists.

TITLE III—NATIONAL HEALTH SERVICE CORPS PROGRAM

Section 301(a) of the bill amends Section 338(a) of the PHSA to extend the authorizations of appropriations for the NHSC Field program. (The Field program places NHSC scholarship recipients in Health Manpower Shortage Areas (HMSAs) at the completion of their training.) The authorizations are $90 million for fiscal year 1985, $95 million for fiscal year 1986, $100 million for fiscal year 1987, and $105 million for fiscal year 1988.

Section 301(b) of the bill amends Section 338F(a) of the PHSA to extend through fiscal year 1988 the authority to make new and continuation scholarships. The bill continues to the current authority of such appropriations as may be necessary to make 550 new scholarships in each fiscal year and to continue to make scholarship awards to students who receive those new awards.

Section 302 of the bill amends Section 338C(a)(2) of the PHSA to clarify that the Secretary of Health and Human Services may restrict the HMSAs in which NHSC scholarship recipients fulfill their service obligations to those areas for which the Secretary has determined (under Section 333(a)(1)(D)) the need and demand for a NHSC provider.

Section 303 of the bill amends Section 338C(b) of the PHSA to authorize the Secretary to take such action as may be appropriate to assure that NHSC providers, who serve under the private practice option authorized in Section 338C, meet the conditions of their agreements with the NHSC. These conditions require, among other things, that the NHSC provider serve Medicare and Medicaid recipients and not discriminate against patients on the basis of their ability to pay for services.

Section 304 of the bill amends Section 332(a)(1) of the PHSA to prohibit the Secretary of Health and Human Services from removing the designation of a geographic area as a HMSA until the Secretary has determined whether in that geographic area there is a population group or facility which has a shortage of health man-

power and should be designated as a HMSA in lieu of the geographic area. If the Secretary determines there is a group or facility, it would be designated; and if the Secretary determines there is no group or facility with a health manpower shortage in the geographic area, the Secretary could remove the area designation.

TITLE IV—HEALTH MAINTENANCE ORGANIZATIONS AND MIGRANT AND COMMUNITY HEALTH CENTERS

Section 401(a) of the bill amends section 1309(b) of the Public Health Service Act (PHSA) to extend through fiscal year 1988 the authority for the HMO loan fund. The bill continues the current authority of such appropriations as may be necessary to meet the obligations of the loan fund resulting from defaults on outstanding loans, to meet other obligations of the loan fund, and to maintain a balance of at least $5 million at the end of each fiscal year so that new loans can be made.

Section 401(b) of the bill makes a conforming amendment to section 1305(d) of PHSA.

MIGRANT HEALTH PROGRAM

Section 402(a) of the bill amends Section 329(h)(1) of the PHSA to extend the authorizations of appropriations for the Migrant Health program. The authorizations are $55 million for fiscal year 1985, $60 million for fiscal year 1986, $66 million for fiscal year 1987, and $73 million for fiscal year 1988.

Section 402(b) of the bill amends Section 329(d)(2) of the PHSA to allow a migrant health center to use its grant funds and income from services to repay the Farmer's Home Administration for loans for new buildings.

COMMUNITY HEALTH CENTERS (CHC'S)

Section 403 of the bill amends Section 330(g) of the PHSA to extend the authorization of appropriations for the CHC program. The authorizations are $385 million for fiscal year 1985, $425 million for fiscal year 1986, $465 million for fiscal year 1987, and $515 million for fiscal year 1988.

TITLE V—HEALTH CARE CONSUMER INFORMATION

Section 501 of the bill amends Section 304 of the PHSA to require the Secretary to study criteria and methodologies for collecting and disseminating health care consumer information and prepare a plan for furnishing to the public technical assistance in the use of such criteria and methodologies.

AGENCY VIEWS

No agency views were received on H.R. 5602.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omit-

ted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PUBLIC HEALTH SERVICE ACT

* * * * * * *

TITLE III—GENERAL POWERS AND DUTIES OF PUBLIC HEALTH SERVICE

PART A—RESEARCH AND INVESTIGATION

* * * * * * *

GENERAL AUTHORITY RESPECTING RESEARCH, EVALUATIONS, AND DEMONSTRATIONS IN HEALTH STATISTICS, HEALTH SERVICES AND HEALTH CARE TECHNOLOGY

SEC. 304. (a)(1) * * *

* * * * * * *

(e)(1) The Secretary shall——

(A) Study (i) criteria and methodologies for use in collecting and disseminating health care consumer information, including information on alternative health care delivery systems and aggregate information on health care cost and utilization, and (ii) means to assist in collecting and disseminating such information;

(B) prepare a plan for furnishing to the public, upon request, technical assistance (i) in the use of the criteria and methodologies described in subparagraph (A), (ii) in the use of information on alternative health care delivery systems, and (iii) to identify sources of information which are appropriate for use in collecting and disseminating health care consumer information described in subparagraph (A);

(C) not later than 6 months after the completion of the study and preparation of the plan required by subparagraphs (A) and (B), carry out, to the extent feasible, the activities for which the plan was prepared under subparagraph (B); and

(D) develop improvements in criteria and methodologies for use in collecting and disseminating health care consumer information and develop methodologies for defining and measuring quality of health care services.

Not later than 9 months after the date of the enactment of this subsection, the Secretary shall complete the study required by subparagraph (A), shall complete the plan required by subparagraph (B), and report to Congress the results of the study and the completion of the plan.

(2) In carrying out paragraph (1), the Secretary shall consult with the National Committee on Vital and Health Statistics established under section 306(k)(1), the Health Care Financing Administration, the Prospective Payment Assessment Commission, and representatives of——

(A) physicians, hospitals, and other health care providers,

(B) insurers,

(C) businesses, union, and public entities which purchase health care through insurance or self-insurance, and

(D) members of the general public.

(3) In carrying out paragraph (1), the Secretary shall assure that health care consumer information is collected, identified, and interpreted in a manner consistent with the confidentially of individually identifiable patient medical information.

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PART D—PRIMARY HEALTH CARE

Subpart I—Primary Health Centers

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MIGRANT HEALTH

SEC. 329. (a) * * *.

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(d)(1)(A) The Secretary may, in accordance with priorities assigned under subsection (b)(1), make grants for the cost of operation of public and nonprofit private migrant health centers in high impact areas.

* * * * * * * *

(2) The costs for which a grant may be made under paragraph (1)(A) may include the costs of acquiring and modernizing existing buildings (including the costs of amortizing the principal of, and paying the interest on, loans) *and the costs of repaying loans made by the Farmer's Home Loan Administration for buildings*; and the costs for which a grant or contract may be made under paragraph (1) may include the costs of providing training related to the provision of primary health services, supplemental health services, and environmental health services, and to the management of migrant health center programs.

* * * * * * * *

(h)(1) For the purposes of subsections (c), (d), and (e), there are authorized to be appropriated $43,000,000 for the fiscal year ending September 30, 1982, $47,500,000 for the fiscal year ending September 30, 1983, [and] $51,000,000 for the fiscal year ending September 30, 1984, *$55,000,000 for the fiscal year ending September 30, 1985, $60,000,000 for the fiscal year ending September 30, 1986, $66,000,000 for the fiscal year ending September 30, 1987, and $73,000,000 for the fiscal year ending September 30, 1988.* The Secretary may not obligate for grants and contracts under subsection (c)(1) in any fiscal year an amount which exceeds 2 per centum of the funds appropriated under this paragraph for that fiscal year, the Secretary may not obligate for grants under subsection (d)(1)(C) in any fiscal year an amount which exceeds 5 per centum of such funds, and the Secretary may not obligate for contracts under subsection (e) in any fiscal year an amount which exceeds 10 per centum of such funds.

(2) The Secretary may not expend in any fiscal year, for grants under this section to public centers (as defined in the second sen-

tence of subsection (f)(3)) the governing boards of which (as described in subsection (f)(3)(G)(ii)) do not establish general policies for such centers, an amount which exceeds 5 per centum of the funds appropriated under this section for that fiscal year.

COMMUNITY HEALTH CENTERS

SEC. 330. (a) * * *

* * * * * * * *

[(g)(1) There are authorized to be appropriated for payments pursuant to grants under subsection (c) $5,000,00 for fiscal year 1976, $5,000,000 for the fiscal year ending September 30, 1977, $5,880,000 for the fiscal year endding September 30, 1978, $6,300,000 for the fiscal year ending September 30, 1979, $7,500,000 for the fiscal year ending September 30, 1980, and $9,000,000 for the fiscal year ending September 30, 1981.

[(2) There are authorized to be appropriated for payments pursuant to grants under subsection (d) $215,000,000 for fiscal year 1976, $235,000,000 for the fiscal year ending September 30, 1977, $256,840,000 for the fiscal year ending September 30, 1978, $341,700,000 for the fiscal year ending September 30, 1979, $397,500,000 for the fiscal year ending September 30, 1980, and $463,000,000 for the fiscal year ending September 30, 1981 and $280,000,000 for the fiscal year ending September 30, 1982. For authorizations for appropriations for fiscal years 1983 and 1984, see section 1922. The Secretary may not expend for grants under subsection (d)(1)(C) in any fiscal year an amount which exceeds 5 per centum of the funds appropriated under this paragraph for that fiscal year.]

(g)(1) For grants under subsection (d), there are authorized to be appropriated $385,000,000 for fiscal year 1985, $425,000,000 for fiscal year 1986, $465,000,000 for fiscal year 1987, and $515,000,000 for fiscal year 1988. The Secretary may not expend for grants under subsection (d)(1)(C) in any fiscal year an amount which exceeds 5 per centum of the funds appropriated under this paragraph for that fiscal year.

[(3)] *(2)* The Secretary may not expend in any fiscal year, for grants under this seciton to public centers (as defined in the second sentence of subsection (e)(3)) the governing boards of which (as described in subsection (e)(3)(G)(ii) do not establish general policies for such centers, an amount which exceeds 5 per centum of the funds appropriated under this section for that fiscal year.

Subpart II—National Health Service Corps Program

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DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS

SEC. 332. (a)(1) For purposes of this subpart the term "health manpower shortage area" means (A) an area in an urban or rural area (which need not conform to the geographic boundaries of a political subdivision and which is a rational area for the delivery of health services) which the Secretary determines has a health manpower shortage, (B) a population group which the Secretary deter-

mines has such a shortage, or (C) a public or nonprofit private medical facility or other facility which the Secretary determines has such a shortage. *The Secretary may not remove an area from the areas determined to be health manpower shortage areas under clause (A) unless the Secretary also determines that such an area does not have a population group described in clause (B) or a facility described in clause (C).*

* * * * * * *

AUTHORIZATION OF APPROPRIATION

SEC. 338. (a) To carry out the purposes of this subpart, there are authorized to be appropriated $47,000,000 for the fiscal year ending September 30, 1978; $64,000,000 for the fiscal year ending September 30, 1979; $82,000,000 for the fiscal year ending September 30, 1980; $110,000,000 for the fiscal year ending September 30, 1982; $120,000,000 for the fiscal year ending September 30, 1983; [and] $130,000,000 for the fiscal year ending September 30, 1984; *$90,000,000 for the fiscal year ending September 30, 1985; $95,000,000 for the fiscal year ending September 30, 1986; $100,000,000 for the fiscal year ending September 30, 1987; and $105,000,000 for the fiscal year ending September 30, 1988.*

* * * * * * *

PRIVATE PRACTICE

SEC. 338C. (a) The Secretary shall, to the extent permitted by, and consistent with, the requirements of applicable State law, release an individual from all or part of his service obligation under section 338B(a) or under section 225 (as in effect on September 30, 1977) if the individual applies for such a release under this section and enters into written agreement with the Secretary under which the individual agrees to engage for a period equal to the remaining period of his service obligation in the full-time private clinical practice (including service as a salaried employee in an entity directly providing health services) of his health profession—

(1) in the case of an individual who is performing obligated service as a member of the Corps in a health manpower shortage area on the date of his application for such a release, in the health manpower shortage area in which such individual is serving on such date; or

(2) in the case of any other individual, in a health manpower shortage area (designated under section 332) *for which the Secretary has made the evaluation and determination described in section 333(a)(1)(D).*

(b) The written agreement described in subsection (a) shall—

(1) provide that during the period of private practice by an individual pursuant to the agreement—

(A) any person who receives health services provided by the individual in connection with such practice will be charged for such services at the usual and customary rate prevailing in the area in which such services are provided, except that if such person is unable to pay such charge,

such person shall be charged at a reduced rate or not charged any fee; and

(B) the individual in providing health services in connection with such practice (i) shall not discriminate against any person inthe basis of such person's ability to pay for such services or because payment for the health services provided to such person will be made under the insurance program established under part A or B of title XVII of the Social Security Act or under a State plan for medical assistance approved under title XIX of such Act, and (ii) shall agree to accept an assignment under section 1842(b)(3)(B)(ii) of such Act for all services for which payment may be made under part B of title XVIII of such Act and enter into an appropriate agreement with the State agency which administers the State plan for medical assistance under title XIX of such Act to provide services to individuals entitled to medical assistance under the plan; and

(2) contain such additional provisions as the Secretary may require to carry out the purposes of this section.

For purposes of paragraph (1)(A), the Secretary shall by regulation prescribe the method for determining a person's ability to pay a charge for health services and the method of determining the amount (if any) to be charged such person based in such ability. *The Secretary shall take such action as may be appropriate to assure that the conditions of the written agreement prescribed by this subsection are adhered to.*

* * * * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 338F. (a) There are authorized to be appropriated for scholarships under this subpart $75,000,000 for the fiscal year ending September 30, 1978, $140,000,000 for the fiscal year ending September 30, 1979, and $200,000,000 for the fiscal year ending September 30, 1980. For the fiscal year ending September 30, [1982, and each of the two] *1985, and each of the three* succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to make 550 new scholarship awards in accordance with section 338A(d) in each such fiscal year and to continue to make scholarship awards to students who have entered into written contracts under the Scholarship Program before October 1, [1984.] *1988.* For the fiscal year ending September 30, [1985, and for each of the two] *1989, and for each of the three* succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to continue to make scholarship awards to students who have entered into written contracts under the Scholarship Program before October 1, [1984.] *1988.*

* * * * * * *

TITLE VII—HEALTH RESEARCH AND TEACHING FACILITIES AND TRAINING OF PROFESSIONAL HEALTH PERSONNEL

PART A—GENERAL PROVISIONS

DEFINITIONS

SEC. 701. For purposes of this title:

(1) * * *

* * * * * * *

(4) The terms "school of medicine", "school of dentistry", "*school of chiropractic*", "school of osteopathy", "school of pharmacy", "school of optometry", "school of podiatry", "school of veterinary medicine", and "school of public health" mean an accredited public or nonprofit private school in a State that provides training leading, respectively, to a degree of doctor of medicine, a degree of doctor of dentistry or an equivalent degree, *degree of doctor of chiropractic*, a degree of doctor of osteopathy, a degree of bachelor of science in pharmacy or an equivalent degree, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatry or an equivalent degree, a degree of doctor of veterinary medicine or an equivalent degree, and a graduate degree in public health or an equivalent degree, and including advanced training related to such training provided by any such school. The term "graduate program in health administration" means an accredited graduate program in a public or nonprofit private institution in a State that provides training leading to a graduate degree in health administration or an equivalent degree.

(5) The term "accredited", when applied to a school of medicine, osteopathy, dentistry, *chiropractic*, veterinary medicine, optometry, podiatry, pharmacy, or public health, or a graduate program in health administration or *in clinical psychology*, means a school or program that is accredited by a recognized body or bodies approved for such purpose by the Secretary of Education, except that a new school or program that, by reason of an insufficient period of operation, is not, at the time of application for a grant or contract under this title, eligible for accreditation by such a recognized body or bodies, shall be deemed accredited for purposes of this title, if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school or program will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of the first entering class in such school or program.

* * * * * * *

NATIONAL ADVISORY COUNCIL ON HEALTH PROFESSIONS EDUCATION

SEC. 702. (a) There is established in the Public Health Service a National Advisory Council on Health Professions Education (hereafter in this section referred to as the "Council"), consisting of the Secretary (or his delegate), who shall be Chairman of the Council,

and twenty members appointed by the Secretary (without regard to the provisions of title 5 of the United States Code relating to appointments in the competitive service) from persons who because of their education, experience, or training are particularly qualified to advise the Secretary with respect to the programs of assistance authorized by parts B, C, D, E, F, and G of this title. Of the appointed members of the Council (1) twelve shall be representatives of the health professions schools assisted under programs authorized by this title, including at least six persons experienced in university administration and at least [four] *three* representatives of schools of veterinary medicine, optometry, pharmacy, [podiatry, and public health,] *and podiatry,* and entities which may receive a grant under section 791 *and one representative of schools of public health,* (2) two shall be full-time students enrolled in health professions schools, and (3) six shall be members of the general public.

* * * * * * *

PART C—STUDENT ASSISTANCE

Subpart I—Federal Program of Insured Loans to Graduate Students in Health Professions Schools

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SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM

SEC. 728. (a) The total principal amount of new loans made and installments paid pursuant to lines of credit (as defined in section 737) to borrowers covered by Federal loan insurance under this subpart shall not exceed $500,000,000 for the fiscal year ending September 30, 1978; $510,000,000 for the fiscal year ending September 30, 1979; $520,000,000 for the fiscal year ending September 30, 1980; and $200,000,000 for the fiscal year ending September 30, 1982; $225,000,000 for the fiscal year ending September 30, 1983; [and] $250,000,000 for the fiscal year ending September 30, 1984; *$275,000,000 for the fiscal year ending September 30, 1985; and $300,000,000 for the fiscal year ending September 30, 1986.* Thereafter, Federal loan insurance pursuant to this subpart may be granted only for loans made (or for loan installments paid pursuant to lines of credit) to enable students, who have obtained prior loans insured under this subpart, to continue or complete their educational program or to obtain a loan under section 731(a)(1)(B) to pay interest on such prior loans; but no insurance may be granted for any loan made or installment paid after September 30, [1987,] *1989,* and for the next fiscal year.

* * * * * * *

Subpart II—Students Loans

LOAN AGREEMENTS

SEC. 740. (a) The Secretary is authorized to enter into an agreement for the establishment and operation of a student loan fund in accordance with this subpart with any public or other nonprofit school of medicine, osteopathy, dentistry, chiropractic, pharmacy,

podiatry, optometry, or veterinary medicine which is located in a State and is accredited as provided in section 721(b)(1)(B) *and with any public or other nonprofit school which is located in a State and which offers graduate programs in clinical psychology.*

(b) Each agreement entered into under this section shall—

(1) provide for establishment of a student loan fund by the school;

(2) provide for deposit in the fund of (A) the Federal capital contributions to the fund, (B) an amount equal to not less than one-ninth of such Federal capital contributions, contributed by such institution, (C) collections of principal and interest on loans made from the fund, (D) collections pursuant to section 741(j), and (E) any other earnings of the funds;

(3) provide that the fund shall be used only for loans to students of the school in accordance with the agreement and for costs of collection of such loans and interest thereon;

(4) provide that loans may be made from such funds only to students pursuing a full-time course of study at the school leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, *degree of doctor of chiropractic,* doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of podiatry or an equivalent degree, doctor of optometry or an equivalent degree, or doctor of veterinary medicine or an equivalent degree *and to students pursuing a full-time course of study at the school in a graduate program in clinical psychology;*

(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 741 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary; and

(6) contain such other provisions as are necessary to protect the financial interests of the United States.

For purposes of this section and section 741, the term "graduate program in clinical psychology" has the meaning prescribed by section 737(3). With respect to fiscal years beginning after fiscal year 1984, each agreement shall provide that at least one-half of the Federal contribution in such fiscal years to the student loan fund of the school shall be used to make loans to individuals from disadvantaged backgrounds as determined in accordance with criteria prescribed by the Secretary.

LOAN PROVISIONS

SEC. 741. (a) Loans from a student loan fund (established under an agreement with a school under section 740) may not exceed for any student for each school year (or its equivalent) the sum of—

(1) the cost of tuition for such year at such school, and

(2) $2,500.

(b) Any such loans shall be made on such terms and conditions as the school may determine, but may be made only to a student in need of the amount thereof to pursue a full-time course of study at the school leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, *degree of doctor of chiropractic,*

doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of podiatry or an equivalent degree, doctor of optometry or an equivalent degree, *a doctoral degree in clinical psychology or an equivalent degree*, or doctor of veterinary medicine or an equivalent degree.

(c) Such loans shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the ten-year period which begins one year after the student ceases to pursue a full-time course of study at a school of medicine, osteopathy, dentistry, *chiropractic*, pharmacy, podiatry, optometry, or veterinary medicine *or at a school in a graduate program in psychology*, excluding from such ten-year period all periods (up to three years) of (1) active duty performed by the borrower as a member of a uniformed service, or (2) service as a volunteer under the Peace Corps Act; and periods of advanced professional training including internships and residences.

(d) The liability to repay the unpaid balance of such a loan and accrued interest thereon shall be canceled upon the death of the borrower, or if the Secretary determines that he has become permanently, and totally disabled.

(e) Such loans shall bear interest, on the upoaid balance of the loan, computed only for periods for which the loan is repayable, at the rate of 9 percent per year.

(f)(1) In the case of any individual—

(A) who has received a degree of doctor of medicine, doctor of osteopathy, doctor of dentistry or an equivalent degree, *degree of doctor of chiropractic*, doctor of veterinary medicine or an equivalent degree, doctor of optometry or an equivalent degree, *a doctoral degree in clinical psychology or an equivalent degree*, bachelor of science in pharmacy or an equivalent degree, or doctor of podiatry or an equivalent degree;

(B) who (i) obtained one or more loans from a loan fund established under this subpart, or (ii) obtained, under a written loan agreement entered into before October 12, 1976, any other educational loan for his costs at a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, or podiatry; and

(C) who enters into an agreement with the Secretary to practice his profession (as a member of the National Health Service Corps or otherwise) for a period of at least two years in an area in a State in a health manpowre shortage area designated under section 332;

the Secretary shall make payments in accordance with paragraph (2), for and on behalf of that individual, on the principal of and interest on any loan of his described in subparagraph (B) Of this paragraph which is outstanding on the date he begins the practice specified in the agreement described in subparagraph (C) of this paragraph.

* * * * * * *

AUTHORIZATION OF APPROPRIATIONS

SEC. 742. (a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established

such funds under section 740, there are authorized to be appropriated $26,000,000 for the fiscal year ending September 30, 1978, $27,000,000 for the fiscal year ending September 30, 1979, $28,000,000 for the fiscal year ending September 30, 1980, $12,000,000 for the fiscal year ending September 30, 1982, $13,000,000 for the fiscal year ending September 30, 1983, [and] $14,000,000 for the fiscal year ending September 30, 1984, *$10,000,000 for the fiscal year ending September 30, 1985, and $10,700,000 for the fiscal year ending September 30, 1986. Of the amount appropriated under this subsection for any fiscal year, not more than 4 per centum of such amount shall be made avaiable for Federal capital contributions for student loan funds at schools of chiropractic.*

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DISTRIBUTION OF ASSETS FROM LOAN FUNDS

SEC. 743. (a) After September 30, [1987,] *1989,* and not later than December 31, [1987,] *1989,* there shall be a capital distribution of the balance of the loan fund established under an agreement pursuant to section 740(b) by each school as follows:

(1) The Secretary shall first be paid an amount which bears the same ratio to such balance in such fund at the close of September 30, [1987,] *1989,* as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 740(b)(A) bears to the total amount in such fund derived from such Federal capital contributions and from funds deposited therein pursuant to section 740(b)(2)(B).

(2) The remainder of such balance shall be paid to the school.

(b) After December 31, [1987,] *1989,* each school with which the Secretary has made an agreement under this subpart shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school after September 30, [1987,] *1989,* in payment of principal or interest on loans made from the loan fund established pursaunt to such agreement as was determined for the Secretary under subsection (a).

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Subpart V—Other Scholarships

SCHOLARSHIPS FOR FIRST-YEAR STUDENTS OF EXCEPTIONAL FINANCIAL NEED

SEC. 758. (a) The Secretary shall make grants to a public or nonprofit school of medicine, osteopathy, dentistry, optometry, pharmacy, podiatry, or veterinary medicine which is accredited as provided in section 721(b)(1)(B), for scholarships to be awarded by the school to full-time students thereof who are of exceptional financial need and who are in their first year of study at such school.

(b)(1) Scholarships may be awarded by a school from a grant under subsection (a) only to individuals who have been accepted by it for enrollment as full-time students in their first year of study at such school.

(2) A scholarship awarded to a student for a school year under a grant made under subsection (a) shall be the scholarship described in section 751(g).

(3) For purposes of this section, the term "first year of study" means, with respect to a student of a school other than a school of pharmacy, the student's first year of postbaccalaureate study at such school.

(c) The Secretary shall give priority in distributing grants under subsection (a) to schools of medicine, osteopathy, and dentistry.

(d) For the purpose of making grants under this section, there is authorized to be appropriated $16,000,000 for the fiscal year ending September 30, 1978, $17,000,000 for the fiscal year ending September 30, 1979, $18,000,000 for the fiscal year ending September 30, 1980, $6,000,000 for the fiscal year ending September 30, 1982, $6,500,000 for the fiscal year ending September 30, 1983, [and] $7,000,000 for the fiscal year ending September 30, 1984, *$8,000,000 for the fiscal year ending September 30, 1985, and $8,600,000 for the fiscal year ending September 30, 1986.*

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PAGE E—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF MEDICINE, OSTEOPATHY, DENTISTRY, PUBLIC HEALTH, VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY

CAPITATION GRANTS

SEC. 707. (a) GRANT COMPUTATION.— * * *

* * * * * * *

(e) AUTHORIZATIONS OF APPROPRIATIONS.—

(1) * * *

* * * * * * *

(4) There are authorized to be appropriated $9,739,800 for the fiscal year ending September 30, 1978, $10,462,200 for the fiscal year ending September 30, 1979, $11,060,000 for the fiscal year ending September 30, 1980, $6,500,000 for the fiscal year ending September 30, 1982, $7,000,000 for the fiscal year ending September 30, 1983, [and] $7,500,000 for the fiscal year ending September 30, 1984, *$7,500,000 for the fiscal year ending September 30, 1985, and $8,000,000 for the fiscal year ending September 30, 1986,* for payments under grants under this section to schools of public health.

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ELIGIBILITY FOR CAPITATION GRANTS

SEC. 771. (a) IN GENERAL.— * * *

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(e) SCHOOLS OF PUBLIC HEALTH.—[(1) To be eligible for a grant under section 770 for a fiscal year beginning after September 30, 1977, a school of public health shall maintain an enrollment of full-time, first-year students, for the school year beginning in the fiscal year ending September 30, 1978, and for each school year thereaf-

ter beginning in a fiscal year for which a grant under section 770 is applied for, which exceeds the number of full-time, first-year students enrolled in such school in the school year beginning in the fiscal year ending September 30, 1976—

[(A) by 5 percent of such number if such number was not more than 100, or

[(B) by 2.5 percent of such number, or 5 students, whichever is greater, if such number was more than 100.] *(1) To be eligible for a grant under section 770 for a fiscal year beginning after fiscal year 1984, the product of the hours of instruction offered by a school of public health and the number of students enrolled in such hours of instruction in such school, in the school year beginning in fiscal year 1985 and in each school year thereafter beginning in a fiscal year in which a grant under section 770 is applied for, shall be at least the same as the product of the hours of instruction offered by the school and the number of students enrolled in such hours of instruction in the school year beginning in fiscal year 1984.*

PART F—GRANTS AND CONTRACTS FOR PROGRAMS AND PROJECTS

PROJECT GRANTS FOR ESTABLISHMENT OF DEPARTMENTS OF FAMILY MEDICINE

SEC. 780. (a) The Secretary may make grants to schools of medicine and osteopathy to meet the costs of projects to establish, maintain, or improve academic administrative units (which may be departments, divisions, or other units) to provide clinical instruction in family medicine.

* * * * * * *

(c) In making grants under subsection (a), the Secretary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making the applicant's family medicine program a permanent component of its medical education training program.

[(c)] *(d) There are authorized to be appropriated $10,000,000 for the fiscal year ending September 30, 1978, $15,000,000 for the fiscal year ending September 30, 1979, $20,000,000 for the fiscal year ending September 30, 1980, $10,000,000 for the fiscal year ending September 30, 1982, $10,500,000 for the fiscal year ending September 30, 1983,* [*and*] *$11,000,000 for the fiscal year ending September 30, 1984, $11,800,000 for the fiscal year ending September 30, 1986,* for payments under grants under subsection (a).

AREA HEALTH EDUCATION CENTERS

SEC. 781. (a)(1) The Secetary shall enter into contracts with schools of medicine and osteopathy for the planning, development, and operation of area health education center programs.

(2) The Secretary shall [enter into contracts with schools of medicine and osteopathy,] *enter into contracts with schools of medicine and osteopathy, and public or nonprofit private entities which have served as regional area health education centers,* which have previously received Federal financial assistance for an area health education center program under section 802 of the Health Profession-

als Educational Assistance Act of 1976 in fiscal year 1979, or under this section to carry out—

(A) projects to improve the distribution, supply, quality, utilization, and efficiency of health personnel in the health services delivery system;

(B) projects to encourage the regionalization of educational responsibilities of the health professions schools; and

(C) projects designed to prepare, through preceptorships and other programs, individuals subjects to a service obligation under the Naional Health Service Corps scholarship program to effectively provide health services in health manpower shortage areas.

* * * * * * * *

(g) There are authorized to be appropriated to carry out the provisions of this section $20,000,000 for the fiscal year ending September 30, 1978, $30,000,000 for the fiscal year ending September 30, 1979, $40,000,000 for the fiscal year ending September 30, 1980, $21,000,000 for the fiscal year ending September 30, 1982, $22,500,000 for the fiscal year ending September 30, 1983, [and] $24,000,000 for the fiscal year ending September 30, 1984, *$18,000,0000 for the fiscal year ending September 30, 1985, and $19,200,000 for the fiscal year ending September 30, 1986.* The Secretary [may] *shall* obligate not more than 10 percent of the amount appropriated under this subsection for any fiscal year for contracts under subsection (a)(2).

[EDUCATION OF RETURNING UNITED STATES STUDENTS FROM FOREIGN MEDICAL SCHOOLS

[SEC. 782. (a) The Secretary may make grants to schools of medicine and osteopathy in the States to plan, develop, and operate programs—

[(1) to train United States citizens who were students in medical schools in foreign countries before the date of enactment of the Health Professions Educational assistance act of 1976 to enable them to meet the requirements for enrolling in schools of medicine or osteopathy in the States as full-time students with advanced standing; or

[(2) to train United States citizens who have transferred from medical schools in foreign countries in which they were enrolled before the date of enactment of the Health Professions Educational Assistance Act of 1976, and who have enrolled in schools of medicine or osteopathy in the states as full-time students with advanced standing.

The costs for which a grant under this subsection may be made may include the costs of identifying deficiencies in the medical school education of the United States citizens who were students in foreign medical schools, the development of materials and methodology for correcting such deficiencies, and specialized training designed to prepare such United States citizens for enrollment in schools of medicine or osteopathy in the States as full-time students with advanced standing.

[(b) More than one school of medicine or osteopathy may join in the submission of an application for a grant under subsection (a).

[(c) Any school of medicine or osteopathy which receives a grant under this subsection in the fiscal year ending September 30, 1978, shall submit to the Secretary before June 30, 1979, a report on the deficiencies (if any) identified by the school in the foreign medical education of the students trained by such school under the program for which such grant was made. The Secretary shall compile the reports submitted under the preceding sentence, and before March 1, 1980, submit to the Congress his analysis and evaluation of the information contained in such reports.

[(d) There are authorized to be appropriated for the purposes of this section $2,000,000 for the fiscal year ending September 30, 1977, $2,000,000 for the fiscal year ending September 30, 1978, $3,000,000 for the fiscal year ending September 30, 1979, and $4,000,000 for the fiscal year ending September 30, 1980.]

GRANTS FOR SCHOOLS OF PUBLIC HEALTH

SEC. 782. (a) The Secretary may make grants to public and nonprofit private schools of public health for projects to develop new programs or expand existing programs in human nutrition, geriatrics, health promotion and disease prevention, alcoholism, and injury due to accidents.

(b) For grants under subsection (a) there are authorized to be appropriated $3,000,000 for fiscal year 1985, and $3,200,000 for fiscal year 1986.

PROGRAMS FOR PHYSICIAN ASSISTANTS

SEC. 783. (a) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of medicine and osteopathy and other public or nonprofit private entities to meet the costs of projects to plan, develop, and operate or maintain programs for the training of physician assistants (as defined in section 701(7)).

(b) No grant or contract may be made under subsection (a) unless the application therefor contains or is supported by assurances satisfactory to the Secretary that the school or entity receiving the grant or contract has appropriate mechanisms for placing graduates of the training program with respect to which the application is submitted, in positions for which they have been trained.

(c) The Secretary shall ensure that the making of grants and entering into contracts under this section shall be integrated with the making of grants and entering into contracts under section 822.

(d) For payments under grants and contracts under this section, there is authorized to be appropriated $25,000,000 for the fiscal year ending September 30, 1978, $30,000,000 for the fiscal year ending September 30, 1979, $35,000,000 for the fiscal year ending September 30, 1980, $5,000,000 for the fiscal year ending September 30, 1982, $5,500,000 for the fiscal year ending September 30, 1983, [and] $6,000,000 for the fiscal year ending September 30, 1984, *$6,000,000 for the fiscal year ending September 30, 1985, and $6,400,000 for the fiscal year ending September 30, 1986.*

GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS

SEC. 784. (a) The Secretary may make grants to and enter into contracts with schools of medicine and osteopathy, public or private nonprofit hospital, or any other public or private nonprofit entity to meet the costs of projects—

(1) to plan, develop, and operate approved residency training programs in internal medicine or pediatrics, which emphasize the training of residents for the practice of general internal medicine or general pediatrics (as defined by the Secretary in regulations);

(2) which provide financial assistance (in the form of traineeships and fellowships) to residents who are participants in any such program, and who plan to specialize or work in the practice of general internal medicine or general pediatrics;

(3) to plan, develop, and operate a program for the training of physicians who plan to teach in a general internal medicine or general pediatrics training program; and

(4) which provide financial assistance (in the form of traineeships and fellowships) to physicians who are participants in any such program and who plan to teach in a general internal medicine or general pediatrics training program.

(b) In making grants and entering into contracts under subsection (a), the Secretary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making its general internal medicine and general pediatrics programs permanent components of this medical education training program.

[b] *(c)* There are authorized to be appropriated to carry out the provisions of this section $10,000,000 for the fiscal year ending September 30, 1977, $15,000,000 for the fiscal year ending September 30, 1978, $20,000,000 for the fiscal year ending September 30, 1979, $25,000,000 for the fiscal year ending September 30, 1980, $17,000,000 for the fiscal year ending September 30, 1982, $18,000,000 for the fiscal year ending September 30, 1983, [and] $20,000,000 for the fiscal year ending September 30, 1984, *$24,000,000 for the fiscal year ending September 30, 1985, and $28,000,000 for the fiscal year ending September 30, 1986.*

* * * * * * *

FAMILY MEDICINE AND GENERAL PRACTICE OF DENTISTRY

SEC. 786. (a) The Secretrary may make grants to, or enter into contracts with, any public or nonprofit private hosptial, school of medicine or ostepathy, or to or with a public or private nonprofit entity (which the Secretary has determined is capable of carrying out such grant or contract)—

(1) to plan, develop, and operate, or praticipate in, an approved professional training program (including and approved residency or internship program) in the field of family medicine for medical and osteopthic students, interns (including interns in internships in osteopathic medicine), residents, or practicing physicians;

(2) to provide financial assistance (in the form of traineeships and fellowships) to medical and osteopathic students, interns (including interns in internships in osteopathic medicine), residents, practicing physicians, or other medical personnel, who are in need thereof, who are participants in any such program, and who plan to specialize or work in the practice of family medicine;

(3) to plan, develop, and operate a program for the training of physicians who plan to teach in family medicine training programs; and

(4) to provide financial assistance (in the form of traineeships and fellowships) to physicians who are participants in any such program and who plan to teach in a family medicine training program.

(b) The Secretary may make grants to any public or nonprofit private school of dentistry or accredited postgraduate dental training institution—

(1) to plan, develop, and operate an approved residency program in the general practice of dentistry or *an approved advanced educational program in the general practice of dentistry*; and

(2) to provide financial assistance (in the form of traineeships and fellowships) to [residents] *participants* in such a program who are in need of financial assistance and who plan to specialize in the practice of general dentistry.

(c) In making grants under subsection (a), the Secretary shall give priority to an applicant which demonstrates to the satisfaction of the Secretary a commitment to making its family medicine program a permanent component of its medical education training program.

[c]*(d)* There are authorized to be appropriated to make grants under this section $45,000,000 for the fiscal year ending September 30, 1978, $45,000,000 for the fiscal year ending September 30, 1979, $50,000,000 for the fiscal year ending September 30, 1980, $32,000,000 for the fiscal year ending September 30, 1982, $34,000,000 for the fiscal year ending September 30, 1983, [and] $36,000,000 for the fiscal year ending September 30, 1984, *$38,000,000 for the fiscal year ending September 30, 1985, and $40,600,000 for the fiscal year ending September 30, 1986.* In making grants and entering into contracts under this section with amounts appropriated under this subsection for the fiscal year ending September 30, 1982, September 30, 1983, and September 30, 1984, the Secretary shall give priority to grants and contracts for residency or internship programs under paragraphs (1) and (2) of subsection (a). *In any fiscal year, the Secretary shall obligate for grants under subsection (b) not less than 7 percent of the amount appropriated under this subsection for such fiscal year.*

EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS

SEC. 787. (a)(1) For the purpose of assisting individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, to undertake education to enter a health profession, the Secretary may make grants to and enter into

contracts with schools of medicine, osteopathy, public health, dentistry, *chiropractic,* veterinary medicine, optometry, pharmacy, allied health, and podiatry, *public and nonprofit private schools which offer graduate programs in clinical psychology,* and other public or private nonprofit health or educational entities to assist in meeting the costs described in paragraph (2). *For purposes of this section, the term "graduate programs in clinical psychology" has the meaning prescribed for that term by section 737(3).*

(2) A grant or contract under paragraph (1) may be used by the health or educational entity to meet the cost of—

(A) identifying, recruiting, and selecting individuals from disadvantaged backgrounds, as so determined, for education and training in a health profession,

(B) facilitating the entry of such individuals into such a school,

(C) providing counseling or other services designed to assist such individuals to complete successfully their education at such a school,

(D) providing, for a period prior to the entry of such individuals into the regular course of education of such a school, preliminary education designed to assist them to complete successfully such regular course of education at such a school, or referring such individuals to institutions providing such preliminary education, and

(E) publicizing existing sources of financial aid available to students in the education program of such a school or who are undertaking training necessary to qualify them to enroll in such a program.

The term "regular course of education of such a school" as used in subparagraph (D) includes a graduate program in clinical psychology.

(b) There are authorized to be appropriated for grants and contracts under subsection (a)(1), $20,000,000 for the fiscal year ending September 30, 1982, $21,500,000 for the fiscal year ending September 30, 1983, [and] $23,000,000 for the fiscal year ending September 30, 1984, *$24,000,000 for the fiscal year ending September 30, 1985, and $25,700,000 for the fiscal year ending September 30, 1986.* Not less than 80 percent of the funds appropriated in any fiscal year shall be obligated for grants or contracts to institutions of higher education and not more than 5 percent of such funds may be obligated for grants and contracts having the primary purpose of informing individuals about the existence and general nature of health careers. *Of the amount appropriated under this subsection for any fiscal year, not more than 4 per centum of such amount shall be obligated for grants or contracts to schools of chiropractic.*

[PROJECT GRANT AUTHORITY FOR START-UP ASSISTANCE, FINANCIAL DISTRESS INTERDISCIPLINARY TRAINING, AND CURRICULUM DEVELOPMENT] *TWO-YEAR SCHOOLS OF MEDICINE, INTERDISCIPLINARY TRAINING, AND CURRICULUM DEVELOPMENT*

SEC. 788. [(a)(1) The Secretary may make grants to schools which provide the first two years of education leading to the degree of

doctor of medicine to assist the schools in accelerating the date they will become schools of medicine.]

(a)(1) The Secretary may make grants to maintain and improve schools which provide the first or last two years of education leading to the degree of doctor of medicine or osteopathy. Grants provided under this paragraph to schools which were in existence on the date of the enactment of the Health Professions and Services Amendments of 1984 may be used for construction and the purchase of equipment.

[(2) The amount of a grant under paragraph (1) to a school shall be equal to the product of $25,000 and the number of full-time, third-year students which the Secretary estimates will enroll in the school in the school year beginning in the fiscal year in which such grant is made. Estimates by the Secretary under this paragraph of the number of full-time, third-year students to be enrolled in the school may be made on assurances provided by the schools.]

[(3)] *(2)* To be eligible to apply for a grant under paragraph (1), the applicant must be a public or nonprofit school providing the first *or last* two years of education leading to the degree of doctor of medicine or osteopathy and be accredited by *or be operated jointly with a school that is accredited by* a recognized body or bodies approved for such purpose by the Secretary of Education.

[(b) The Secretary may make grants to and enter into contracts with any health profession, allied health profession, or nurse training institution, or any other public or nonprofit private entity for health manpower projects and programs such as——

[(1) speech pathology, audiology, bioanalysis, and medical technology;

[(2) establishing humanism in health care centers;

[(3) biomedical combined educational programs;

[(4) cooperative human behavior and psychiatry in medical and dental education and practice;

[(5) bilingual health clinical training centers;

[(6) curriculum development in schools of dentistry, optometry, pharamacy and podiatry;

[(7) social work in health care;

[(8) health manpower development;

[(9) environmental health education and preventive medicine;

[(10) the special medical problems related to women;

[(11) the development or expansion of regional health professions schools;

[(12) training of citizens of the United States from foreign health professions schools to enable them to enroll in residency programs in the States;

[(13) psychology training programs;

[(14) ethical implications of biomedical research;

[(15) establishment of dietetic residencies;

[(16) regional systems of continuing education;

[(17) computer technology;

[(18) training of professional standards review organization staff;

[(19) training of health professionals in human nutrition and its application to health;

[(20) health manpower development for the Trust Territories and incorporated Trust Territories of the United States;

[(21) training in the diagnosis, treatment, and prevention of the diseases and related medical and behavioral problems of the aged;

[(22) training of health professionals in the diagnosis, treatment, and prevention of diabetes and other severe chronic diseases and their complications;

[(23) dental education, the training of expanded function dental auxiliaries, and dental team practice; and

[(24) training of allied health personnel.]

(b) The Secretary may make grants to and enter into contracts with any health profession, allied health profession, or nurse training institution for special projects and programs for—

(1) curriculum development and training in health policy and policy analysis, the organizaiton, delivery, and financing of health care, the determinants of health and the role of medicine in health, and the delivery of health care services to low-income and aged persons;

(2) curriculum and program development and training in applying the social and behavioral sciences to the study of health and health care delivery issues;

(3) training in health promotion and disease prevention; and

(4) curriculum development and training in human nutrition.

* * * * * * * *

[(d) The Secretary may make grants to and enter into contracts with schools of medicine or osteopathy or other appropriate public or nonprofit private entities to assist in meeting the costs of such schools or entities] *with accredited health professions schools referred to in section 701(4) to assist in meeting the costs of such schools* of providing projects to—

[(1) plan, develop, and establish courses, or expand or strengthen instruction in geriatric medicine; and]

(1) improve the training of health professionals in geriatrics, develop and disseminate curriculum relating to the treatment of the health problems of the elderly, expand and strengthen instruction in such treatment, support the training and retraining of faculty to provide such instruction, and support continuing education of health professionals in such treatment; and

(2) establish new affiliations with nursing homes, chronic and acute disease hospitals, ambulatory care centers, and senior centers in order to provide students with clinical training in geriatric medicine.

* * * * * * * *

(f) *(1)* For purposes of *subsections (a), (b), (c), and (e)* of this section, there are authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1982; $6,500,000 for the fiscal year ending September 30, 1983; [and] $7,000,000 for the fiscal year ending September 30, 1984; *4,000,000 for the fiscal year ending September 30, 1985; $4,300,000 for the fiscal year ending September 30, 1986.*

(2) For purposes of subsection (d) there are authorized to be appropriated $2,000,000 for fiscal year 1985 and $3,000,000 for fiscal year 1986.

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ADVANCED FINANCIAL DISTRESS ASSISTANCE

SEC. 788B. (a) The Secretary may enter into a multiyear contract with a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy to provide financial assistance to such school to meet incurred or prospective costs of operation if the Secretary determines that payment of such costs is essential to remove the school from serious and long-standing financial instability. To be eligible for a contract under this section, a school must have previously received financial support under section 788A or under section 788(b) (as such section was in effect prior to October 1, 1981) for a period or not less than three years.

(b) No school may enter into a contract under this section unless—

(1) the school has submitted to the Secretary a plan providing for the school to achieve financial solvency within [five] *seven* years and has agreed to carry out such plan;

(2) such plan includes securing increased financial support from non-Federal sources;

(3) such plan has been reviewed by a panel selected by the Secretary and consisting of three experts in the field of financial management who are not directly affiliated with the school or the Federal Government; and

(4) the Secretary determines, after consultation with such panel, that such plan has a reasonable likelihood of achieving success.

* * * * * * *

(f) No school may receive support under this section for more than [five] *seven* years. No contract may be entered into under this section, or continued, in a fiscal year in which the school receives suport under section 788A.

(h) [For the purpose of entering into contracts to carry out this section and section 788A, there are authorized to be appropriated $10,000,000 for the fiscal year ending September 30, 1982, and each of the succeeding two fiscal years.] *For the purpose of entering into contracts to carry out this section and section 788A there are authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1985, and $6,400,000 for the fiscal year ending September 30, 1986.* Of the amounts appropriated under the preceding sentence, not more than $2,000,000 shall be available under section 788A. Funds provided under this section shall remain available until expended without regard to any fiscal year limitation.

PART G—PROGRAMS FOR PERSONNEL IN HEALTH ADMINISTRATION AND IN ALLIED HEALTH

Subpart I—Public Health Personnel

GRANTS FOR GRADUATE PROGRAMS IN HEALTH ADMINISTRATION

SEC. 791. (a) From funds appropriated under subsection (d), the Secretary shall make annual grants to public or nonprofit private educational entities (including schools of social work and excluding accredited schools of public health) to support the graduate educational programs of such entities in health administration hospital administration, and health planning.

(b) The amount of the grant for any fiscal year under subsection (a) to an educational entity with an application approved under subsection (c) shall be equal to the amount appropriated under subsection (d) for such fiscal year divided by the number of educational entities which have applications for grants for such fiscal year approved under subsection (c).

(c)(1) No grant may be made under subsection (a) unless an application therefor has been submitted to the Secretary before such time as he shall by regulation prescribe and has been approved by the Secretary. Such application shall be in such form, and submitted in such manner, as the Secretary shall by regulation, prescribe.

(2) The Secretary may not approve an application submitted under paragraph (1) unless—

(A) such application contains assurances satisfactory to the Secretary that in the school year (as defined in regulations of the Secretary) beginning in the fiscal year for which the applicant receives a grant under subsection (a) that—

(i) at least 25 individuals will complete the graduate educational programs of the entity for which such application is submitted; and

[(ii) such entity shall expend or obligate at least $100,000 in funds from non-Federal sources to conduct such programs; and]

(ii) such entity shall expend or obligate from non-Federal sources to conduct such programs at least $200,000 in fiscal year 1985 and $225,000 in fiscal year 1986;

* * * * * * *

(d) There are authorized to be appropriated for payments under grants under this section $3,250,000 for the fiscal year ending September 30, 1978, $3,500,000 for the fiscal year ending September 30, 1979, $3,750,000 for the fiscal year ending September 30, 1980, $1,500,000 for the fiscal year ending September 30, 1982, $1,750,000 for the fiscal year ending September 30, 1983, [and] $2,000,000 for the fiscal year ending September 30, 1984, *$2,500,000 for the fiscal year ending September 30, 1985, and $2,700,000 for the fiscal year ending September 30, 1986.*

TRAINEESHIPS FOR STUDENTS IN OTHER GRADUATE PROGRAMS

SEC. 791A. (a) The Secretary may make grants to public or nonprofit private educational entities, including graduate schools of social work but excluding accredited schools of public health, which

offer a program in health administration, hospital administration, or health policy analysis and planning, which program is accredited by a body or bodies approved for such purpose by the Commissioner of Education and which meets such other quality standards as the Secretary by regulation may prescribe, for traineeships to train students enrolled in such a program.

(c) For payments under grants under subsection (a), there are authorized to be appropriated $2,500,000 for the fiscal year ending September 30, 1978; $2,500,000 for the fiscal year ending September 30, 1979; $2,500,000 for the fiscal year ending September 30, 1980; [and] $500,000 for the fiscal year ending September 30, 1982, and the next two fiscal years; *$1,000,000 for the fiscal year ending September 30, 1985; $1,100,000 for the fiscal year ending September 30, 1986.*

PUBLIC HEALTH TRAINEESHIPS

SEC. 792. The Secretary may make grants to—

(1) accredited schools of public health, and

(2) other public or nonprofit institutions which provide graduate or specified training in public health and which are not eligible to receive a grant under section 791A,

to provide traineeships.

* * * * * * *

(c) For payments under grants under subsection (a), there are authorized to be appropriated $7,500,000 for the fiscal year ending September 30, 1978; $9,000,000 for the fiscal year ending September 30, 1979; $10,000,000 for the fiscal year ending September 30, 1980; $3,000,000 for the fiscal year ending September 30, 1982; $3,500,000 for the fiscal year ending September 30, 1983; [and] $4,000,000 for the fiscal year ending September 30, 1984; *$4,500,000 for the fiscal year ending September 30, 1985; $4,800,000 for the fiscal year ending September 30, 1986.*

TRAINING IN PREVENTIVE MEDICINE

SEC. 793. (a) The Secretary may make grants to and enter into contracts with schools of medicine, osteopathy, and public health to meet the costs of Projects—

(1) to plan and develop new residency training programs and to maintain or improve existing residency training programs in preventive medicine; and

(2) to provide financial assistance to residency trainees enrolled in such programs.

* * * * * * *

(c) For the purpose of grants under subsection (a), there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1982, $1,500,000 for the fiscal year ending September 30, 1983, [and] $2,000,000 for the fiscal year ending September 30, 1984, *$3,000,000 for the fiscal year ending September 30, 1985, $3,200,000 for the fiscal year ending September 30, 1986.*

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TITLE VIII—NURSE TRAINING

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Subpart IV—Special Projects

SPECIAL PROJECT GRANTS AND CONTRACTS

SEC. 820. (a) The Secretary may make grants to public and nonprofit private schools of nursing and other public or nonprofit private entities, and enter into contracts with any public or private entity, to meet the costs of special projects to—

(1) increase nursing education opportunities for individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

(A) identifying, recruiting, and selecting such individuals,

(B) facilitating the entry of such individuals into schools of nursing,

(C) providing counseling or other services designed to assist such individuals to complete successfully their nursing education,

(D) providing, for a period prior to the entry of such individuals into the regular course of education at a school of nursing, preliminary education designed to assist them to complete successfully such regular course of education,

(E) paying such stipends (including allowances for travel and dependents) as the Secretary may determine for such individuals for any period of nursing education, and

(F) publicizing, especially to licensed vocational or practical nurses, existing sources of financial aid available to persons enrolled in schools of nursing or who are undertaking training necessary to qualify them to enroll in such schools;

(2) provide continuing education for nurses;

(3) provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

(4) help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel (including nursing personnel who are bilingual) needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care; or

(5) provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel.

Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

* * * * * * *

(d) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $15,000,000 for fiscal year 1977, $15,000,000 for fiscal year

1978, $17,000,000 for the fiscal year ending September 30, 1980, $10,000,000 for the fiscal year ending September 30, 1982, $10,500,000 for the fiscal year ending September 30, 1983, [and] $11,000,000 for fiscal year ending September 30, 1984, *$12,000,000 for the fiscal year ending September 30, 1985, $13,000,000 for the fiscal year ending September 30, 1086, $14,000,000 for the fiscal year ending September 30, 1987, and $15,000,000 for the fiscal year ending September 30, 1988.* Of the funds appropriated under this subsection for any fiscal year beginning after September 30, 1981, not less than 20 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(1), not less than 20 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(4), and not less than 10 percent of the funds shall be obliaged for payments under grants and contracts for special projects described in subsection (a)(5).

ADVANCED NURSE TRAINING PROGRAMS

Sec. 821. (a) The Secretary may make grants to and enter into contracts with public and nonprofit private collegiate schools of nuring to meet the costs of projects to—

(1) plan, develop, and operate,
(2) significantly expand, or
(3) maintain existing

[programs for the advanced traning of professional nurses to teach in the various fields of nurse training, to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties (including service as nurse clinicians) determined by the secretary to require advanced training.]
programs which lead to masters and doctoral degrees and which prepare nurses to serve as nurse educators, administrators, and researchers or in clinical nurse specialities determined by the Secretary to require advanced training.

(b) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, $25,000,000 for fiscal year 1978, $13,500,000 for the fiscal year ending September 30, 1980, $14,000,000 for the fiscal year ending September 30, 1982, $15,000,000 for the fiscal year ending September 30, 1983, [and] $16,000,000 for the fiscal year ending September 30, 1984, *$21,000,000 for the fiscal year ending September 30, 1985, $22,000,000 for the fiscal year ending September 30, 1986, $23,000,000 for the fiscal year ending September 30, 1987, and $24,000,000 for the fiscal year ending September 30, 1988.*

[NURSE PRACTITIONER PROGRAMS] *NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS*

SEC. 822. (a)(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other public or nonprofit entities to meet the cost of projects to—

(A) plan, develop, and operate,
(B) significantly expand, or
(C) maintain existing,

programs for the training of nurse practitioners *and nurse midwives*. The Secretary shall give special consideration to applications for grants or contracts for programs for the training of nurse practitioners *and nurse midwives* who will practice in health manpower shortage areas (designated under section 332) and for the training of nurse practitioners which emphasize training respecting the special problems of geriatric patients and training to meet the particular needs of nursing home patients.

(2)(A) For purpose of this section, the term "programs for the training of nurse practitioners *and nurse midwives*" means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which *in the case of nurse practitioners* have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions.

(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for the training of nurse practitioners *and nurse midwives*. Such guidelines shall, as a minimum, require that such a program—

(i) extend for at least one academic year and consist of—

(I) supervised clinical practice, and

(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing nurses to deliver primary health care; and

(ii) have an enrollment of not less than eight students.

(b)(1) The Secretary may make grants to and enter into contracts with schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other nonprofit entities to establish and operate traineeship programs to train nurse practitioners *and nurse midwives*. In considering applications for a grant or contract under this subsection, the Secretary shall give special consideration to applications for traineeships to train individuals who are residents of health manpower shortage areas designated under section 332.

(2) Traineeships funded under this subsection shall include 100 percent of the costs of tuition, reasonable living and moving expenses (including stipends), books, fees, and necessary transportation.

(3) A traineeship funded under this subsection shall not be awarded unless the recipient enters into a commitment with the Secretary to practice as a nurse practitioner *and nurse midwives* in a health manpower shortage area (designated under section 332) *or in public health care facility* for a period equal to one month for each month for which the recipient receives such a traineeship.

(4)(A) If, for any reason, an individual who received a traineeship under paragraph (1) fails to complete a service obligation under

paragraph (3), such individual shall be liable for the payment of an amount equal to the cost of tuition and other education expenses and other payments paid under the traineeship, plus interest at the maximum legal prevailing rate.

(B) When an individual who received a traineeship is academically dismissed or voluntarily terminates academic training, such individual shall be liable for repayment to the Government for an amount equal to the cost of tuition and other educational expenses paid to or for such individual from Federal funds plus any other payments which were received under the traineeship.

(C) Any amount which the United States is entitled to recover under subparagraph (A) or (B) shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States.

(D) The Secretary shall by regulation provide for the waiver or suspension of any obligation under subparagraph (A) or (B) applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

(c) No grant may be made or contract entered into for a project to plan, develop, and operate a program for the training of nurse practitioners *and nurse midwives* unless this application for the grant or contract contains assurances satisfactory to the Secretary that the program will upon its development meet the guidelines which are in effect under subsection (a)(2)(B); and no grant may be made or contract entered into for a project to expand or maintain such a program unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program meets the guidelines which are in effect under such subsection.

(d) The costs for which a grant or contract under this section may be made may include costs of preparation of faculty members in order to conform to the guidelines established under subsection (a)(2)(B).

[(e) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, $25,000,000 for fiscal year 1978, $15,000,000 for the fiscal year ending September 30, 1980, $12,000,000 for the fiscal year ending September 30, 1982, $13,000,000 for the fiscal year ending September 30, 1983, and $14,000,000 for the fiscal year ending September 30, 1984.]

(e) For grants and contracts under subsections (a) and (b), there are authorized to be appropriated $19,000,000 for the fiscal year ending September 30, 1985, $20,000,000 for the fiscal year ending September 30, 1986, $21,000,000 for the fiscal year ending September 30, 1987, and $22,000,000 for the fiscal year ending September 30, 1988.

DEMONSTRATION GRANTS

SEC. 823. (a) The Secretary may make grants to public and nonprofit private entities for projects to demonstrate—

(1) improvements in clinical nursing care in institutions,

(2) improvements in clinical nursing care in homes, independent nursing practice arrangements, and ambulatory facilities, and

(3) programs to encourage nurses to practice in health manpower shortage areas.

(b) For grants under subsection (a), there are authorized to be appropriated $8,000,000 for fiscal year 1985, $9,000,000 for fiscal year 1986, $10,000,000 for fiscal year 1987, and $11,000,000 for fiscal year 1988.

PART B—ASSISTANCE TO NURSING STUDENTS

Subpart I—Traineeships

TRAINEESHIPS FOR ADVANCED TRAINING OF PROFESSIONAL NURSES

SEC. 830. (a)[(1) The Secretary may make grants to public or private nonprofit institutions to cover the costs of traineeships for the training of professional nurses—

(A) to teach in the various fields of nurse training (including practical nurse training),

(B) to serve in administative or supervisory capacities,

(C) to serve as nurse practitioners, or

(D) to serve in other professional nursing specialties determined by the Secretary to require advanced training.]

(1)(A) The Secretary may make grants to public and nonprofit private schools of nursing to cover the cost of traineeships for nurses in masters degree and doctoral degree programs in order to educate such nurses—

(i) to teach in the various fields of nurse training (including practical nurse training),

(ii) to serve in administrative or supervisory capacities, or

(iii) to serve in other professional nursing specialties determined by the Secretary to require advanced training.

(B) The Secretary may make grants to public and nonprofit private schools to cover the cost of traineeships in certificate or degree programs to educate nurses to serve in and prepare for practice as nurse practitioners and nurse midwives.

(2) In making grants for traineeships under this subsection, the Secretary shall give special consideration to applications for traineeship programs which conform to guidelines established by the Secretary under section 822(a)(2)(B).

(3) Payments to institutions under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

(b) There are authorized to be apporopriated for the purposes of this section $15,000,000 for the fiscal year ending June 30,, 1976, $20,000,000 for the fiscal year ending September 30, 1977, and $25,000,000 for the fiscal year ending September 30, 1978, $15,000,000 for the fiscal year ending September 30, 1980, $10,000,000 for the fiscal year ending September 30, 1982,

$10,500,000 for the fiscal year ending September 30, 1983, [and] $11,000,000 for the fiscal year ending September 30, 1984, *15,000,000 for the fiscal year ending September 30, 1985, $16,000,000 for the fiscal year ending September 30, 1986, $17,000,000 for the fiscal year ending September 30, 1987, and $18,000,000 for the fiscal year ending September 30, 1988.* Not less than 25 percent of the funds appropriated under this subsection for any fiscal year shall be obligated for traineeships described in subsection (a)(1)(A), except that if the obligation of that amount of the funds appropriated under this subsection will prevent the continuation of a traineeship to an individual who received a traineeship under subsection (a) for the fiscal year ending September 30, [1981] *1985*, the Secretary shall reduce the amount to be obligated for traineeships described in subsection (a)(1)(A) by such amount as may be necessary for the continuation of traineeships first awarded in such fiscal year. Priority in the award of traineeships under subsection (a)(1)(C) shall go to nurse midwife trainees.

TRAINEESHIPS FOR TRAINING OF NURSE ANESTHETISTS

SEC. 831. (a)(1) The Secretary may make grants to public or private nonprofit institutions to cover the costs of traineeships for the training, in the programs which meet such requirements as the Secretary shall by regulation prescribe and which are accredited by an entity or entities designated by the Commissioner of Education, of licensed, registered nurses to be nurse anesthetists.

(2) Payments to institutions under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

[(b) For the purpose of making grants under subsection (a), there are authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1980, $400,000 for the fiscal year ending September 30, 1983, and $800,000 for the fiscal year ending September 30, 1984.]

(b) For grants under subsection (a), there are authorized to be appropriated $1,000,000 for fiscal year 1985, $1,200,000 for fiscal year 1986, $1,400,000 for fiscal year 1987, and $1,600,000 for fiscal year 1988.

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TITLE XIII—HEALTH MAINTENANCE ORGANIZATIONS

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LOANS AND LOAN GUARANTEES FOR INITIAL COSTS OF OPERATION

SEC. 1305. (a) The Secretary may—

(1) make loans to public or private health maintenance organizations to assist them in meeting the amount by which their costs of operation during a period not to exceed the first sixty months of their operation exceed their revenues in that period;

(2) make loans to public or private health maintenance organizations to assist them in meeting the amount by which their costs of operation, which the Secretary determines are attributable to significant expansion in their membership or area served and which are incurred during a period not to exceed the first sixty months of their operation after such expansion, exceed their revenues in that period which the Secretary determines are attributable to such expansion; and

(3) guarantee to non-Federal lenders payment of the principal of and the interest on loans made to private health maintenance organizations for the amounts referred to in paragraphs (1) and (2).

(b)(1) Except at provided in paragraph (2), the aggregate amount of principal of loans made or guaranteed, or both, under subsection (a) for a health maintenance organization may not exceed $7,000,000. In any twelve-month period the amount disbursed to a health maintenance organization under this section (either directly by the Secretary, by an escrow agent under the terms of an escrow agreement, or by a lender under a guaranteed loan) may not exceed $3,000,000.

(2) The cumulative total of the principal of the loans outstanding at any time which have been directly made or with respect to which guarantees have been issued under subsection (a) may not exceed such limitations as may be specified in appropriation act.

(c) Loans under this section shall be made from the fund established under section 1308(e).

(d) No loan may be made or guaranteed under this section after September 30, [1986.] *1989.*

* * * * * * *

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 1309. (a)(1) For grants and contracts under sections 1303 and 1304 there is authorized to be appropriated $20,000,000 for the fiscal years 1982, 1983, and 1984. No funds appropriated under this paragraph may be expended or obligated for a grant or contract unless the entity received a grant or contract under section 303 or 304 during or before the fiscal year 1981.

(2) For grants under section 1317 there is authorized to be appropriated $1,000,000 for each of the fiscal years 1982, 1983, and 1984.

(b) To maintain in the loan fund established under section 1308(e) for the purpose of making new loans a balance of at least $5,000,000 at the end of each fiscal year and to meet the obligations of the loan fund resulting from defaults on loans made from the fund and to meet the other obligations of the fund, there is authorized to be appropriated to the loan fund for fiscal years [1982, 1983, and 1984,] *1985, 1986, 1987, and 1988,* such sums as may be necessary to assure such balance and meet such obligations.

MINORITY VIEWS ON H.R. 5602—HEALTH PROFESSIONS AND SERVICES AMENDMENTS OF 1984

We strongly oppose the action taken by the Committee in reporting out H.R. 5602. Our opposition is directed at certain sections of Titles III and IV of the bill, which if enacted into law would exacerbate the deficit problem this country now faces. In addition, we oppose Title V of the legislation which requires the Secretary of Health and Human Services to undertake activities that have not been clearly defined or developed.

Titles I and II of the legislation reauthorize Federal programs for the training of professional health personnel and nurses. During Subcommittee consideration of H.R. 5602, funding levels for these programs were adopted that provided for increases no greater than the CBO inflation factor of 6.9%. During Full Committee markup, several amendments were offered and adopted which raised funding and changed the policies of several programs. As this bill moves through the legislative process, we hope we can work with our colleagues on Titles I and II of this bill to effectuate changes where necessary.

Unlike Titles I and II of the legislation, we must strongly oppose Title III of the bill which would increase the authorization for the National Health Service Corps field program and would continue the National Service Corps scholarship program at current levels. We must stress that we regard the National Health Service Corps as an extraordinarily effective program in addressing the problem of maldistribution in health manpower. In fact, it is a program that has been so successful that its need has diminished as it has met its goals. We believe that all Federal programs should work as well as this one has. It has succeeded and now needs to be scaled down.

Representatives from the Department of Health and Human Services testified at hearings held earlier this year that there are more than enough National Health Service Corpsmen available for placement in health manpower shortage areas and that, in fact, a number of corpsmen are participating in the private practice option, because there is not enough demand for corpsmen in underserved areas. The testimony further revealed that the available supply of corpsmen should exceed demand for at least the next few years. As a result, the Administration requested a $67 million authorization for FY 1985. This represents a $24 million decrease from FY 1984 appropriations levels. We believe that it is fiscally responsible to freeze authorizations at FY 1984 appropriations levels rather than making these recommended reductions because the needs of this program may change over the next several years. There is no question that increasing the authorizations for this program, as the reported bill does, is not justified based on the facts available to the Committee.

Title IV of the bill as reported authorizes funding levels for Community Health Centers and Migrant Health Centers for the next four years at excessive levels which we believe will have the undesirable effect of adding to inflationary pressures. Community Health Centers are designed to serve medically underserved areas with outpatient services that supplement care provided by the private sector. Like the National health Service Corps, this is a program that has succeeded in meeting its goals and should now be slowed in growth. The number of medically underserved areas has decreased as the number of health care personnel graduating from professional schools has increased. We believe that a modest increase in authorizations for this program is appropriate. Similarly, Migrant Health Centers for which $42 million was appropriated in FY 1984 despite an authorization of $51 million should be authorized with modest increases over the next few years, rather than at the excessive levels included in the bill as reported. We recognize the importance of both of these programs in supplementing private sources of health care but believe that the level of their need should be carefully scrutinized over the next several years.

We would also like to note that it is unfortunate that programs like the Community Health Centers and Migrant Health Centers are not funded through a Primary Care Block Grant as has been proposed by the Administration during the past three years. We believe that decisions about the provision of government funded primary care are best made at the State level and not in Washington.

Although Title V of H.R. 5602 does not call for an increase in funding, it does require the Secretary of Health and Human Services to undertake activities which are neither clearly defined nor appropriate for the Federal Government. Title V requires the Secretary to study the criteria and methodologies for use in collecting health care consumer information, including information on alternative health care delivery systems, and to simultaneously prepare a plan for furnishing to the public technical assistance in how and where to collect such information. The legislation requires the study and the plan to be completed after a nine month period and the plan to be implemented six months thereafter.

We do not oppose the study mandated in Title V but do have significant reservations about preparing an implementation plan without having completed and reviewed the results of such a study. Substantial differences of opinion exist over the definition of such terms as "health care consumer information" and "alternative health care delivery systems" and how they should be measured. The complexity of health care financial arrangements makes it difficult to obtain cost information that will be useful to the public in making comparisons. Also, if quality is included as a type of information to be obtained, there are no valid measurement techniques that are either objective or scientific. Because the criteria and methodolgies for collecting this information are in such a development state, we favor a study in this area. It would be premature, however, to implement any plan to provide technical assistance to collect health care information prior to careful congressional review of a comprehensive study.

In summary, in addition to the concerns we have expressed about Title V of this bill, it is difficult for us to comprehend why

the proponents of this legislation will not reduce the funding levels of programs where the goals of the programs covered by this bill can be met with more modest funding levels. Could it be that the concern over the deficits professed by the proponents of this legislation is simply hollow rhetoric. We hope not.

We urge our colleagues to join us in opposing this legislation. Let us demonstrate that we have the will to reduce funding levels for programs where these reductions are achievable without impairing the integrity of the programs in question.

JIM BROYHILL.
ED MADIGAN.
CARLOS J. MOORHEAD.
BILL DANNEMEYER.
THOMAS J. BLILEY, Jr.
JACK FIELDS.
HOWARD C. NIELSON.

ADDITIONAL VIEWS OF CONGRESSMAN DOUG WALGREN TO H.R. 5602, HEALTH PROFESSIONS EDUCATION

Any discussion of health training would be incomplete without stressing the urgent need to improve the training of all health professionals in the health problems of the elderly. A February 1, 1984 report from the Department of Health and Human Services gives more than enough documentation of the problems, current and future.

Although 11 percent of the population are elderly and they consume 30 percent of all health care expenditures, only 1 percent of health training money is spent on training to treat the elderly.

In the year 2000 there will be 10 million more Americans over age 65 than today. Persons over 85 will more than double. As more people live longer, the demands for medical services will increase.

By the year 2000, there will be 1 million more older people with disabilities. The elderly will make about 230 million visits to physicians, compared to 165 million in 1980, an increase of 40 percent. Short-term hospital care will jump by 50 percent. Residents of nursing homes will increase by over a million.

As families continue to disperse, more elderly will be living alone, with greater need for nursing and other support. To meet these staggering needs, all health professionals will require knowledge and skills to deal with aging.

I am pleased that the committee adopted my amendment to make a modest start to encourage health and medical education to meet this challenge. My amendment would target $2 million in 1985 and $3 million in 1986 for health professions schools to upgrade their curricula and faculty in geriatrics education.

A recent report of the Department of Health and Human Services indicates that many such schools have increased their attention to aging problems, but concludes, that "these activities are still very modest. Faculty members with special preparation in aging are in very short supply, ranging from 5 to 25 percent of the number required in different fields." In hearings entitled, "Young Physicians, Older Patients," our Subcommittee on Health found that medical students get very little exposure to the elderly. Forty percent of the medical schools offer no specific course in geriatrics and two-thirds have no rotation experience. Additionally, most training is in acute care—emergency cases in hospitals—not prevention or treatment of chronic health care problems of the aged. The Association of American Medical Colleges has noted, "Only sporadic, frequently uncoordinated efforts are presently underway." Similarly, the American Nursing Association found that "an inadequate number of health care professionals with the necessary expertise in gerontology, particularly nursing, have been prepared. . . ."

Our resources are so inadequate to the task that we have to be sure we are making the wisest effort. In the view of the professionals, the best bang for the buck would be to invest in the following: training of faculty members to teach students; developing new courses in geriatrics; and providing opportunities for people now working in health care to get retraining. My amendment targets funds for these specific purposes.

Clearly, training in all aspects of geriatrics should be integrated into medical school curricula. Students can and should experience a full range of multi-site, interdisciplinary opportunities to work with all types of older people, the dependent as well as the vigorous.

We should be concerned about a fundamental problem in providing the best health care to the elderly: Many in our society may just not be interested. An underlying problem may be an attitudinal one. Studies show our society harbors a subtle bias against the elderly. Our subcommittee hearings found that many doctors do not like to deal with declining or dying patients. They avoid treating old people because many of the ailments of the elderly by their nature do not improve. Many are fatal. Medical successes or reversals of disability or disease are rare. Additionally, older people require greater understanding and time in a good doctor-patient relationship. One witness before us talked about "significant and pervasive neglect of the elderly." Our witnesses suggested that many medical students unconsciously do not seek training in treating the elderly.

Medical education must face up to the "demographic imperative" of aging. We also must face up to the moral imperative. Not only do we spend our health dollars more effectively when we have trained personnel, we spend them more compassionately. I hope that my amendment will be a small stimulus to start moving us in the right direction and provide some leadership for all health professions schools to follow:

DOUG WALGREN.